



## MODERN TIMES

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# THE TIMES

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# Tories lifted by Lamont's autumn path to recovery

By PHILIP WEBSTER  
CHIEF POLITICAL CORRESPONDENT

NORMAN Lamont lifted the morale of Conservative MPs yesterday with a £4 billion recovery package which centred on special help for the housing and car industries and provided a 1.5 per cent cut in interest rates.

The Chancellor of the Exchequer outlined his new "strategy for growth" aimed at rebuilding confidence alongside a raft of tough public spending cuts. These included a rigid 1.5 per cent ceiling on pay for five million public-sector workers.

He was hailed by senior Tory MPs last night for giving a "blood transfusion" to British industry and for cutting interest rates to 7 per cent, the lowest level for 15 years, but he was attacked by Labour and the unions for making lower paid workers the scapegoat for his economic failures. The construction industry called the measures encouraging and the Confederation of British Industry praised Mr Lamont for following many of its suggestions. However, the CBI also called for a further cut in interest rates.

Tory MPs congratulated the Chancellor for producing an imaginative package that combined cuts in the defence and local government budgets with protection for the electorally sensitive areas of health and education. The education budget will be £1.5 billion higher in 1995-6 than this year and National Health Service funds will go up by £1.9 billion, or 3 per cent.

The big surprise was the abolition of the car tax, which will save consumers about £400 on the average family car. Capital projects fared well at the expense of current spending, enabling Mr Lamont to give the go-ahead to the £1.8 billion Jubilee Line London Underground extension to Docklands.

Conservative MPs were relieved that threatened cuts in social security benefits and increases in National Insurance contributions had failed to materialise. Pensions and benefits will go up in line with inflation.

The Chancellor, under dire pressure only weeks ago after Britain's withdrawal from the European exchange-rate mechanism, has undoubtedly bolstered his position. But senior Tories recognised that yesterday's settlement may have stored up difficulties for the future, and severe action will be needed to contain borrowing, which is likely to reach £45 billion by next year.

Mr Lamont announced that the government had already

- One-point base rate cut to 7 per cent.
- 1.5 per cent ceiling imposed on public-sector pay rises.
- No rise for government ministers.
- Special car tax of 5 per cent abolished.
- National Insurance rates unchanged.
- Pensions, benefits to rise in line with inflation.
- Package of tax incentives to help industry.
- Extra £750m for buying up empty properties.
- Local council go-ahead to spend £1.75 bn in capital receipts.
- Increase in road building and approval for the £1.8bn Jubilee Line extension to Docklands.
- Extra £150m for BR rolling stock.
- Defence spending to fall in real terms over next few years.
- Restrictions on legal aid budget.
- 1 per cent growth forecast for 1993.

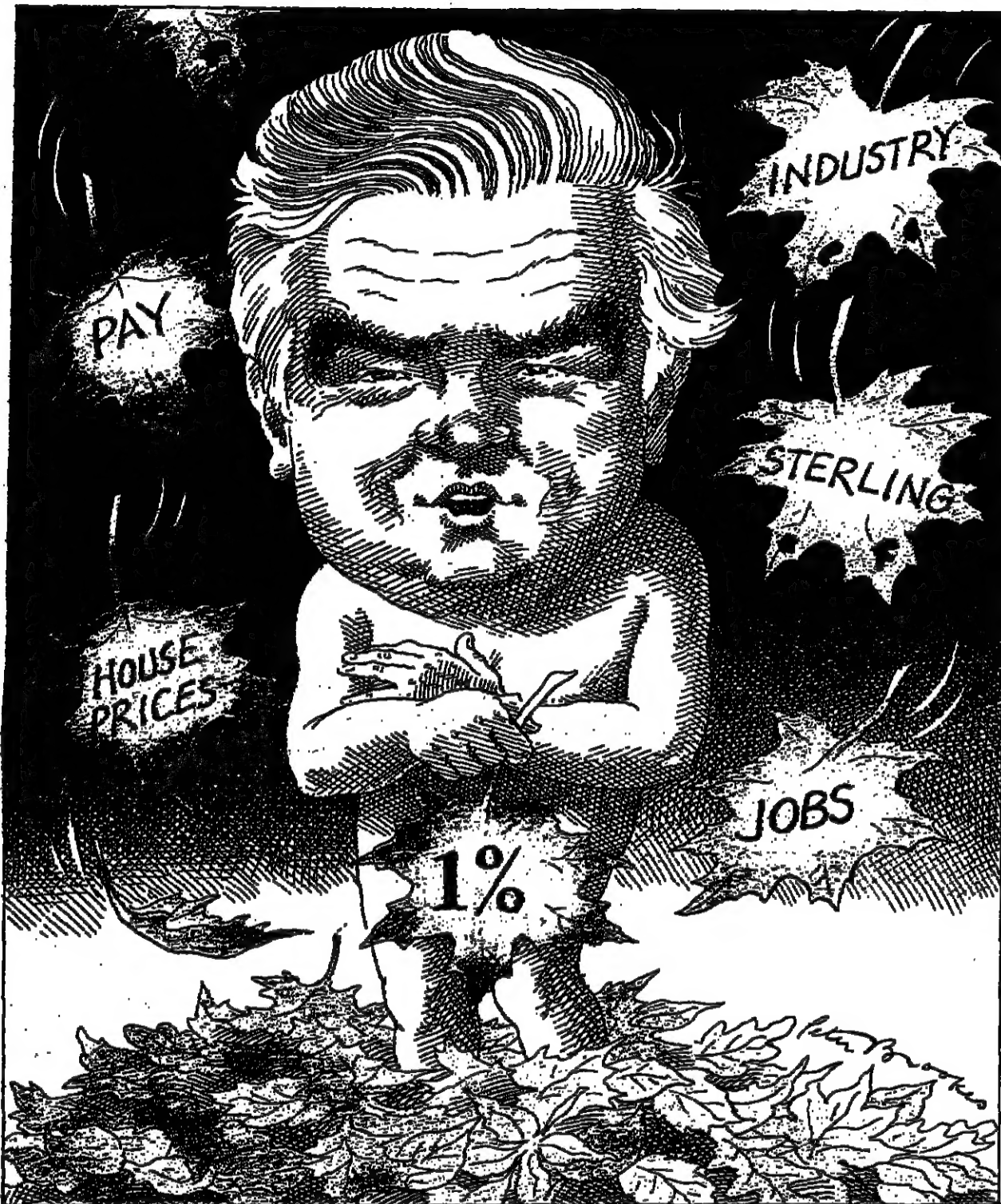
been forced to lift its borrowing this year to £37 billion from the Budget estimate of £28 billion. His special package was drawn up in consultation with the prime minister after a welter of protest in recent months from industry.

The Chancellor may have to consider raising taxes to limit borrowing in next year's Budget and he told MPs that his concession to help the car industry would have to be paid for through higher motoring taxes next year. MPs will be asked to accept the pay squeeze and ministers will be given no pay rise, Mr Lamont said.

Gordon Brown, the shadow Chancellor, said the Autumn Statement amounted to no more than a set of half-measures. They would not bring unemployment down, improve the balance of payments or stop the rise in business failures or repossession. "The government's conversion is skin deep," he said.

The immediate focus of Mr Lamont's package is the recession-hit housing industry. He will make about £750 million available immediately to the Housing Corporation to buy 20,000 empty properties for people in housing need. He is to allow local councils throughout the country to spend £1.75 billion on homes and other building projects from the receipts of council house sales and other income, which has previously been frozen under Treasury rules.

British Rail will be able to lease stock from the makers or private companies. In a further boost for industry, capital



## Pay policy reversal puts 1.5% limit on state sector

By PHILIP BASSETT, INDUSTRIAL EDITOR

allowances are to be increased for a year to encourage investment in plant and machinery.

He confirmed that this year's tough spending talks have allowed the government to stick to its £244.5 billion target. The Chancellor accepted during his 40-minute speech that the recovery forecast at the time of the Budget had not been achieved. "A strategy that brings renewed confidence and a return to growth is more essential than ever," he said. "But the government has no intention of engineering a short-lived boom that would lead swiftly to higher inflation and higher interest rates. Our objective is sustainable, long-term growth."

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THE government yesterday reversed 13 years of policy by announcing a specific pay ceiling of rises of a maximum of 1.5 per cent for more than five million public sector workers.

Cabinet ministers, judges, senior civil servants and armed forces personnel will receive no increase, and the government will recommend that MPs' pay should also be frozen.

Norman Lamont, the Chancellor, said in his autumn statement that it had been necessary for the government to take "tough decisions" over public sector pay, but minis-

ters insisted that without pay restraint in the public sector there would be less money to fund programmes to promote recovery contained in the statement. Since coming to power in 1979, the Conservatives have rejected any form of incomes policy, and in particular have repeatedly refused to make public any operational limits on rises in the public sector.

The announcement that public sector pay settlements will be limited to 0-1.5 per cent is a reversal of this stand. Stephen Dorrell, financial secretary, specifically called it a "pay policy" yesterday, but

refused to say whether the policy reversal was an indication of the severity of the economic and political crisis facing the government.

He said of the policy: "I am not pretending there is no change. I am not saying it is a complete aboutface: it is an evolution of policy reflecting the fact that we face a particularly prolonged recession, and we need to suppress expectations below levels which have been regarded as normal for some time."

Mr Dorrell said he did not believe the pay restraint in the public sector would set much. Continued on page 3, col 1

## Grim forecast points to a long haul out of recession

The Treasury predicted yesterday that Britain's longest recession would end early in the new year, but that the ensuing recovery would be far weaker than any recorded since the second world war.

City and international investors generally reacted with disappointment to the Treasury's grim forecasts, concluding that the measures announced yesterday by the Chancellor had not lived up to the government's widely publicised policy switch in favour of recovery and growth. Some analysts predicted further sharp cuts in base rates, noting that the Treasury's assumptions on social security spending suggested a possible fall to as low as 5 per cent by next autumn.

The Treasury expects the economy to grow by 1 per cent in 1993, even after the investment measures announced yesterday. The figures published by the Treasury also seemed to imply that the one percentage point cut in interest rates announced yesterday might be insufficient to trigger this weak recovery or reduce unemployment.

Although the Treasury makes no formal forecasts of either unemployment or interest rates, it publishes "technical assumptions" along with its plans for public spending on social security benefits. These showed unemployment rising slightly to 2.9 million and remaining at that level until 1995. The inflation assumptions built into the social security forecasts suggested that mortgage rates would be about 3½ percentage points between September 1992 and September

Britain's economic prospects have deteriorated sharply, writes Anatole Kaletsky, Economics Editor

1993. Given the cuts of 1½ points by building societies in October, the Treasury assumptions implied that bank base rates eventually would be cut by a further two to three percentage points to 5 or 6 per cent by September next year.

Despite the measures to stimulate private investment, capital spending by industry will show no growth at all next year, according to the Treasury's forecasts. Investment by government and local authorities will increase by only 1.75 per cent in real terms, compared with the massive 7 per cent growth rate recorded in 1992 as a result of decisions in the last Autumn Statement.

The Treasury's figures reveal an astonishing deterioration in Britain's economic performance and prospects since the official forecasts published in March alongside Norman Lamont's Budget. Every sector of economic activity is forecast to be much weaker than the Treasury predicted six months ago. The gross domestic product, which was forecast to show 3 per cent growth by the first half of 1993 is now expected to be only 0.2 per cent up. Consumer spending is expected to grow by only 1 per cent, instead of 3 per cent. Investment shows no growth at all. Exports, which should have been 6.5 per cent up, are shown as growing by 4.6 per cent.

Economic View, page 29

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## Law officer denies cover-up

By FRANCES GIBB  
LEGAL CORRESPONDENT

THE attorney-general spoke publicly yesterday about his role in the arms-for-Iraq affair, strongly denying accusations of a cover-up.

In a letter to *The Times* today, Sir Nicholas Lyell QC says he personally, with counsel, had advised ministers in the Matrix Churchill case that they were required by law to claim public interest immunity on behalf of the Crown.

It was not "open to ministers to second-guess the court on whether documents should be granted public interest immunity and therefore remain confidential," he says. The issue was one for the court, not for the minister, and that would apply equally



Sir Nicholas: ministers "had to claim immunity"

whether the document may be helpful to the prosecution or to the defence.

His letter came on the day the prime minister faced accusations from the Opposition of

putting up a smokescreen by using Alan Clark, the former defence minister, as a scapegoat for the alleged breach of the embargo on arms exports to Iraq.

At the same time, a second trial of a businessman charged by Customs investigators with illegally supplying machinery to Iraq collapsed in a five-minute hearing as prosecution counsel offered no evidence.

Sir Nicholas says in his letter that had any of the documents shown that it was unfair to continue the Matrix Churchill case at the stage when the public interest immunity certificates were signed the proceedings would have been withdrawn at once.

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Letters, page 19

## French students tunnel their way to England

By BILL FROST

FIVE French students were last night celebrating their success in breaching Channel Tunnel security and winning a bet that they could not make the full crossing.

The group's attempt to get through was stopped by a security guard only after they had walked 12 miles in eight hours and crossed to the British side. They eluded armed security men in the French part of the tunnel.

Kent police said: "They were discovered by a security guard for the construction company TML." The interlopers, clothing French passports and grinning broadly, were taken out of the tunnel and

questioned by detectives before being put on a ferry to France. French police said last night that the five had been interviewed at length, and may face charges of breaking and entering.

The students, who wore overalls and entered through ventilation pipes at 3.15am on Wednesday, carried a video camera and claimed at first to be making a film for the tunnel owner, Eurotunnel.

They chose Armistice Day, a public holiday in France, hoping that security might be less than usual. Suggestions that the students had blazed a trail for rabid foxes and crazed terrorists were dismissed.

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## Magic! Chancellor evades hail of Opposition bullets

**MATTHEW PARRIS**  
POLITICAL SKETCH

Unlikely as it sounds, I think it was Oedipus who used to play his lute before dawn. He did so every day without fail, inspiring a dispute among the Ancient Greeks as to whether the arrival of dawn prompted his music, or his music prompted the dawn.

Yesterday, some minutes before the Chancellor rose to deliver his Autumn Statement, Nigel Evans (C, Ribblesdale) called for a cut in interest rates. Resuming his seat and putting his lute away, young Mr Evans heard a treasury minister assure him that his idea would be carefully considered. Moments later, the Chancellor rose. Even Evans cannot have expected such quick results.

The key to the success of the Ribblesdale technique was its boldness. Evans aimed high. Perhaps for this reason Richard Ottaway (C, Croydon S) appeared less likely to get his way with the prime minister than with Nigel Evans with the Chancellor. Mr Ottaway asked the PM to see that Tesco's in Purley was able to carry on opening on Sunday mornings.

The prime minister looked convinced, but nothing in his demeanour or reply suggested that he was confident of being able to influence the pattern of shopping in Purley.

Large effects are so often easier for politicians to produce than small ones. If Ottaway had requested a change in economic policy, an international airport for Croydon, or a small foreign war, Mr Major could have arranged it — look what Lamont did for Evans.

Mr Lamont's statement was a resounding political success. With his conspiratorial tone and convoluted eyebrows, the Chancellor has the unmistakable air of a stage magician. In white tie at the Mansion House recently, he chuckled to his audience that he came dressed as a conjuror, but was really a Chancellor. To the Commons yesterday, Mr Lamont came dressed as a Chancellor, but...

It was done with great flourish. As the Liberals' Alan Beith pointed out, Mr Lamont reduced the price of motor cars with one hand, and with the other cut the incomes people have to buy them with. He handed local authorities the key to unlock certain funds, while deftly removing others. Abraca-

dabra! Tory backbenchers rose like a flock of pin-striped pigeons, cheering and fluttering their order papers in the air. The Opposition looked gutted.

In vain did Gordon Brown, for Labour, spray the Chancellor's getaway car in a hail of bullets. These bullets you can see among the paragraphs which follow. In Fleet Street a "bullet" is one of these: ● Many years ago Mr Brown abandoned ordinary English prose and began to speak entirely in lists prefaced by bullets. His speech yesterday was composed of fourteen lists, strung together with angry conjunctions.

He said that Mr Lamont had caused:

- unemployment to rise
- the deficit to worsen
- greater poverty
- cuts in the aid budget
- more bankruptcies.

Britain was, furthermore, bottom of the EC league in:

- growth
- investment
- output
- employment.

Yet he had promised he would:

- stay in the ERM
- not devalue
- get unemployment down
- bring recovery.

Now he planned to:

- break up training schemes
- tear up promises
- scapegoat home helps.

This would:

- add to unemployment
- prolong the recession
- damage productivity
- hit the poor and weak.

At one point Mr Brown fumbled in his pocket and we began to fear he would bring out a crumpled list and declaim:

- bread
- tea-bags
- 1 lb tomatoes...

But no. He stuck to the economy. It was a tragedy, he said. Millions faced:

- cuts
- joblessness
- starvation
- ... Pencil poised, I waited to continue

● Impeligo

● bert-bert

● rickets

but he omitted these, predicting

● tragedy

● disaster

● catastrophe

and sat down.

In the questions which followed, Norman Lamont referred, as he had in his statement, to "my next budget. He did not say in which country.

## Aiming for growth: Chancellor tries to end the long decline by giving boost

### Lamont puts building and transport top of priorities

By ROSS TYEMAN, INDUSTRIAL CORRESPONDENT

A SINGLE objective ran like a steel hawser through the package of measures unveiled by the Chancellor yesterday: reversal of the steep decline in Britain's industrial activity. Short-term measures to encourage investment, exports, car sales and the housing market were combined with commitments to transport, infrastructure and training which will take a decade or more to come to fruition.

The table of measures reads like a Confederation of British Industry shopping list. But even with public sector pay increases clamped at 1.5 per cent, the rising cost of Britain's

couraged to spend future proceeds from council house sales on building new homes. If these measures succeed in arresting the fall in house prices, people may start to move again, boosting business for the mass of companies which depend on a lively housing market.

Public infrastructure spending is to be maintained and British Rail will be allowed to lease trains to upgrade services. Private companies will be invited to build and operate new transport links, either in partnership with the government or alone, under a regime which will enable far more investment than ever the cash-strapped public sector could manage. If profitable opportunities can be identified, this could offer a valuable way to stimulate the construction industry in the longer term and cut the £1.5 billion-a-year cost to business of transport delays.

The big boost to the motor industry will come through abolition of car tax. A rise in car sales would help to reduce the surplus capacity in Britain's car plants and component suppliers.

The Chancellor also introduced a package of allowances designed to encourage companies to bring forward investment in plant and buildings. Capital allowances will be increased for the next 12 months so that companies will be able to offset 40 per cent of their investment in new equipment, excluding cars, against tax. The allowances will fall back to 25 per cent again after October 31.

Companies will also be able to write off against tax 20 per cent of the cost of any new industrial or agricultural building ordered within the next 12 months and completed by the end of 1994. These measures are expected to cost the government a total of £700 million.

The Chancellor clearly hopes the time limit, combined with lower interest rates, will encourage business leaders to bring forward their investment plans. But tax experts said last night that companies would find it difficult to revive investment plans at short notice.

The government has also provided an extra £700 million of cover for ECGD, the government body which insures exporters to countries considered "high risk" such as South Africa and China. But defence spending will fall in real terms, increasing the pressure on equipment manufacturers already engaged in an unprecedented round of closures and job-shedding.

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package "ought to do a lot for confidence and more particularly, for activity". But both organisations called for a further cut in interest rates beyond today's 1 percentage point reduction, to 7 per cent.

The Chancellor's measures are targeted at two industries which act as a motor for the rest of the economy: construction and transport. Both have suffered massively during the recession. Short-term stimulus is accompanied by measures which will take some years to take effect.

Construction will be stimulated in several ways. The Housing Corporation has been allocated an additional £750 million to buy 20,000 empty properties for rental. Local authorities will be en-



Light relief: prices come down yesterday at Saab City in East London.

### Car manufacturers surprised by unexpected generosity

By KEVIN EASON, MOTORING CORRESPONDENT

THE COST of an average family car will be cut by £400 today as the Chancellor abolishes the 5 per cent special tax on new cars in the hope that car sales will improve from their lowest point in ten years.

The decision came as manufacturers saw the first sign of an end to three years of falling sales, short-time working and redundancies with output from car plants up by 21.15 per cent in October.

Manufacturers were surprised last night that the Chancellor was willing to forego £100 million this year and £100 million next year. But the overriding need to revive Britain's biggest manufacturing sector, which has lost annual sales worth £6.5 billion in three years, has forced his hand.

The sting in the tail is that the Chancellor threatened to recoup the money by raising extra taxes in next year's

Budget, which suggests big changes in company car tax and petrol duties. Analysts warned that petrol could go up by as much as 8p. However, the immediate combination of a further cut in interest rates and the abolition of the special

car tax could be crucial. The decision means that a Ford Fiesta 1.1LX, which was £8,705 yesterday, will be £8,307 today, a saving of £398. An Escort 1.4LX comes down by £440 to £10,550 and a Sierra 1.8LX, which was £13,130, comes down by £525 to £12,605. Buyers who have ordered their car but had not been invoiced, paid for or collected their cars up to midnight will qualify.

The biggest savings will come in the hard-hit luxury car sector where companies

such as Jaguar have seen sales fall by as much as 40 per cent. A £28,780 Ford Granada Scorpio — a typical director's car — comes down by £1,151 to £27,629 today.

From being top of Europe's league of taxes on cars with car tax and 17.5 per cent value-added tax, Britain slips back behind Belgium, which levies VAT of 25 per cent, France with 22 per cent and Italy with 19 per cent.

Ford said: "There are plenty of people out there who want to buy but simply do not want to risk spending money. This might just be enough to get things going at last."

Vauxhall immediately revised gloomy sales forecasts from 1.55 million this year to 1.65 million in 1993.

Neil Marshall, chief economist for the Retail Motor Industry Federation, said: "The Chancellor has finally delivered."

### Navy bears brunt of forces cuts

MALCOLM Riffkind, the defence secretary, saw next year's budget reduced by £570 million from the original estimate of £24.09 billion to £23.52 billion, with the navy bearing the brunt of the cuts.

He has also accepted a further reduction of £480 million in 1994/95 down to £23.75 billion. In 1995/96 his budget is set at £23.22 billion. Defence ministers also announced the first wave of cuts with a reduction in the Fleet Maintenance and Repair Organisation at Portsmouth, the closure of Portland naval base and the transfer of the Royal Navy's sea training unit from Portland to Devonport.

Mr Riffkind said last night: "The settlement will have no effect on the government's commitment to the security of Northern Ireland or to the proper support of UK troops deployed on United Nations humanitarian tasks."

### £523m more for education

EDUCATION was one of the few government departments to see its budget grow in real terms. A £523 million increase on previous plans will be concentrated on further education colleges and grant-maintained schools (John O'Leary writes).

The bulk of spending on schools will not be determined until local authority budgets are allocated, but the 1.5 per cent ceiling on teachers' pay will impose its own limit.

The department estimates that the £9,523 million planned spending in 1993-94 represents a 6 per cent increase. With inflation running at 3.7 per cent, the increase is 2.3 per cent less in real terms when this year's spending is calculated.

### Lean time for health service

THE health service is facing a lean 12 months despite an increase of just over £1 billion next year (Jeremy Laurence writes). Health authorities will be seeking to cut waiting lists and implement policies such as the re-organisation of health care in London with less extra money than planned.

Growth will depend on greater efficiency and savings from new restrictions on drug prescribing but will be quickly swallowed up if the public sector pay ceiling is breached. Spending on the NHS in England will rise to £29 billion, a 3.8 per cent cash increase over the forecast total for this year and equivalent to a real increase of 1 per cent, assuming inflation of 2.8 per cent.

### Arts suffer cut in real terms

THE arts world was split between relief and disappointment yesterday as Arts Council funding was reduced in real terms. But pledges were made to save the British Library's new building project at St Pancras, London, and to help the British film industry.

The heritage department will receive £990.54 million for its 1993-4 spending programme, £30 million less than would be required to match the proportion of total public spending granted in the current year.

The Arts Council's budget was increased two per cent, taking it to £225.36 million. Lord Palumbo, chairman of the council, said that the settlement would sustain most arts organisations.

### Spending axe falls on parks

FIONA Reynolds, the director of the Council for the Protection of Rural England, said it was "back to the bad old days for the national parks" after learning that spending on the ten parks in England and Wales would be taking the most significant trimming of any of the government's environmental programmes (Michael McCarthy writes).

Although spending in the current year is likely to match last year's £15 million forecast, the increase of nearly 9 per cent planned for 1993-94 to £16.3 million has been cut to £15.6 million, at £15.6 million. This means a virtual standstill in expenditure in real terms, allowing for inflation.

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Building the future: Sir Christopher Benson is chairman of Boots, the retail chemist, of MEPC, one of Britain's biggest property companies, and of the Housing Corporation.

"My instant reaction is, fairly predictable and generally helpful. There are certain things here naturally that one is very pleased about. For example, an increase in export credit guarantees is good news."

"As chairman of Boots, which includes the Halfords chain, I would welcome the abolition of car tax. The decision to go ahead with the Jubilee Line is very welcome for the construction industry and for confidence in the country generally, but what a pity they didn't say it before."

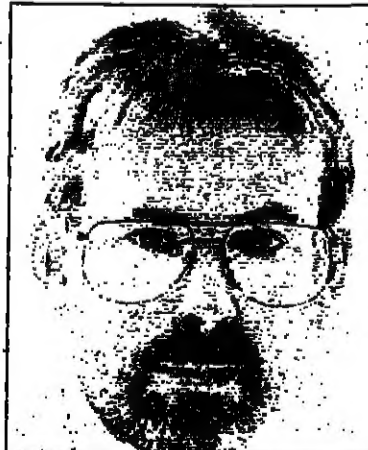
"As chairman of the Housing Corporation, I welcome the money allocated to buy repossessed homes — this is something we will have to get moving on. No one is ever going to be satisfied and say it is enough. I think certainly I would have liked to see more, particularly for the construction industry. I would like to see more money going into housing stock."



City under siege: Bob Tinker, chairman of Tedbar Tinker, a power tool and machinery distributor in Sheffield, welcomed yesterday's cut in interest rates and the increase in capital allowances. He said, though, that the measures were too late to save hundreds of industrial firms in the city.

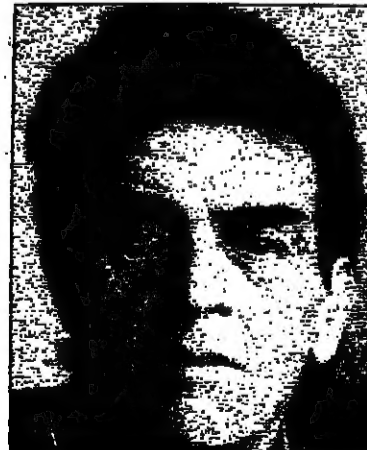
With other small businesses in the North and Midlands, Tedbar Tinker has suffered the brunt of the recession. Sales have plummeted and the company has been hit by a succession of bad debts as long-standing customers have gone into receivership. Tedbar, a 50-year-old family-run business, has seen its workforce shrink from 25 to 12.

Mr Tinker welcomed the Chancellor's decision to increase capital allowances. "A lot of our customers have been hanging on for this, and it may well release their spending. But it's not going to happen next week," he said. There had been no recovery since interest rates began to fall. "We have seen our customers go down like a pack of cards in the last two years. We have been watching Sheffield fall apart."



Clearing debts: Robert Chave, his wife Janice and their three children will be "marginally" better off as a result of the 1 per cent cut in interest rates, but have no plans to rush out and spend their extra £13 a week, preferring to clear debts. The couple, from Totes, Devon, have a combined income of slightly over £25,000 but an "horrible" £70,000 mortgage, which they repay at £650 a month. Mr Chave, 40, a chief accountant with a clay extraction company, said: "There's very little for us to get excited about. There were only a few tweaks in the package and not the major changes in government strategy that were heralded."

He added: "I can't see that it is going to make any difference at all in my money for spending, because anyone in my position is going to stop the overdraft increasing and keep it under control." The government should have increased benefits above the rate of inflation to help people such as pensioners, he felt. "Families like mine have benefited on the whole from the policies of the last 13 years, and we are benefiting more."



Relieved: John Upton, who has claimed invalidity benefit since 1989 because of arthritis of the spine, was "still hard up" after the Chancellor's speech yesterday but glad his cash had not been cut.

Mr Upton, 58, of Harlow, Essex, has been unable to work since 1980 because his health deteriorated gradually after an industrial accident in 1962. He had been "very worried" during the last few weeks because of rumours of a tax on invalidity benefits or a change in the age eligibility thresholds. In fact, his invalidity payments and disability living allowance will be index linked.

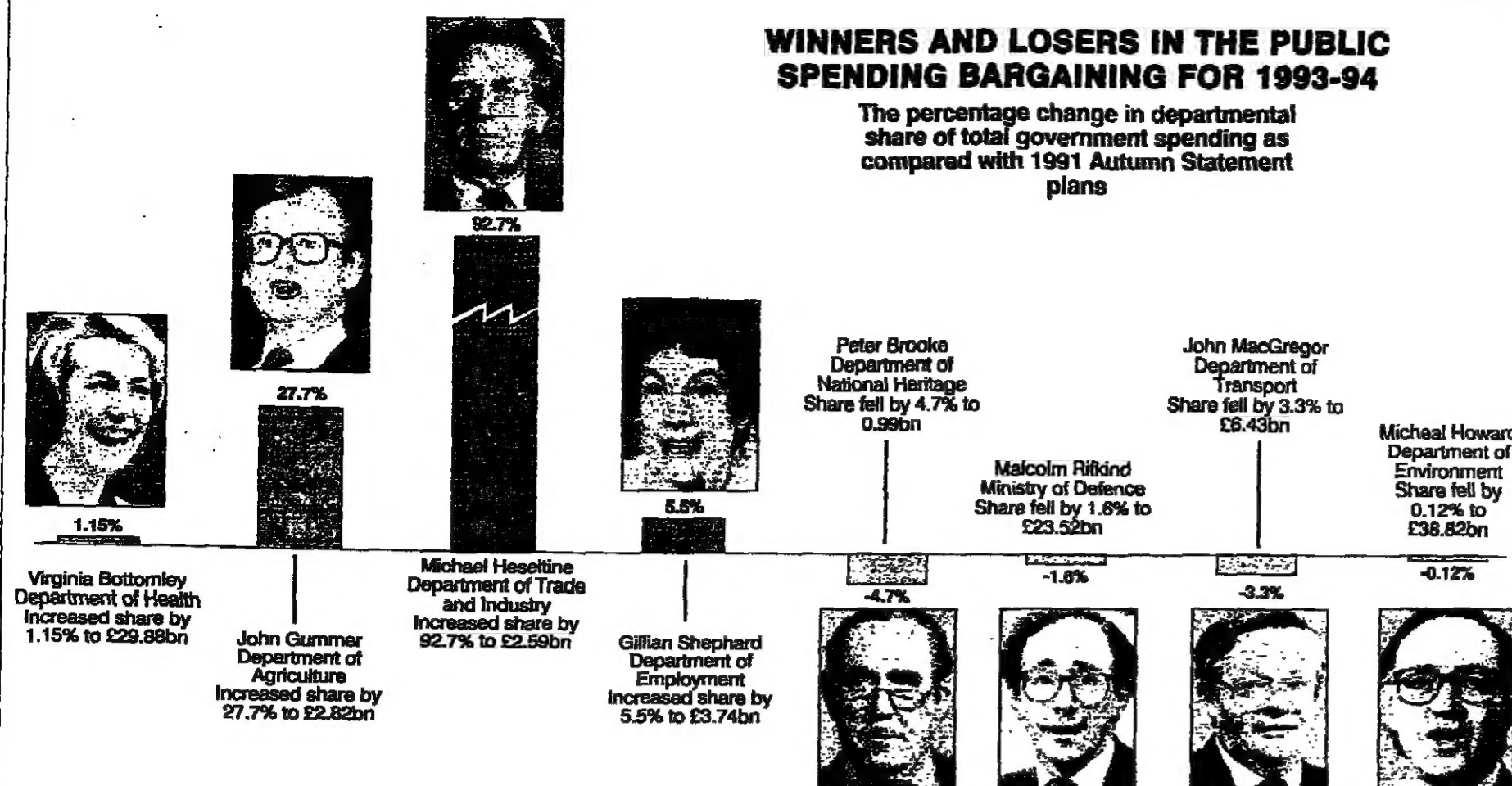
He and his wife Anna, 56, who looks after him, live on £146.94 a week, which includes Mr Upton's industrial pension and reduced earnings. He also receives a monthly allowance of £121, which goes towards health needs. The Uptons both pay a full poll tax of £25.10 a month as well as endowments and monthly mortgage payments of £167 on their three-bedroom council house. "It's really not enough to live on, but it could have been worse," he said.



## to industry, exports and investment while holding down public sector pay

## WINNERS AND LOSERS IN THE PUBLIC SPENDING BARGAINING FOR 1993-94

The percentage change in departmental share of total government spending as compared with 1991 Autumn Statement plans



## Record funding protects roads but undermines BR

By MICHAEL DYNES, TRANSPORT CORRESPONDENT

INVESTMENT in transport will be kept at record levels, with British Rail and the national roads programme receiving higher levels of funding than at any time during the past two decades. John MacGregor, the transport secretary, announced yesterday.

An extra £230 million will be made available to BR for investment over the next two years in cash terms, while spending on roads will remain at £4.2 billion over the same period, despite severe constraints on the level of public spending, Mr MacGregor said.

In addition, the government's contribution of £1.5 billion to the proposed £1.8 billion Jubilee Line extension between Green Park and Stratford has been provided for in the expectation that the scheme will get the go-ahead.

The government will press ahead with a publication in the new year of a green paper on the possible introduction of electronic pricing on inter-urban roads, and the creation of a new rolling stock leasing market in preparation for BR's privatisation.

Mr MacGregor said that the settlement would enable work to start on all of next year's 40 planned road schemes, while at the same time allowing BR to press ahead with investment for Channel tunnel services and vital track work.

A more detailed examination of this year's transport settlement discloses, however, that the extra funds will

fall far short of what BR needs to maintain, modernise and expand the rail network. BR will receive £1,460 billion from the government in loans and grants for 1993-4, £130 million more than forecast last year, while an extra £100 million will be made available for 1994-5. But these increases, which make no allowance for inflation, will have a negligible impact on the backlog of BR investment schemes.

Similarly, London Transport will receive £1,010 billion during 1993-4, considerably less than the £1,390 billion forecast last year.

Sir Bob Reid, BR chairman, welcomed leasing

## INFRASTRUCTURE

deals as "a breakthrough on investment" and accepted control of public expenditure as critical in the present economic condition. But he warned that the spending limits "will present BR with problems maintaining quality of services".

Wilfrid Newton, chairman of London Transport, reacted angrily to the 30 per cent cutback in funding. "London has been singled out for cuts in stark contrast to other transport sectors and last year's government commitment," he said. "We now face the real prospect of deteriorating services and the loss of some 7,000 jobs in supply industries. We are facing savage cuts: 30 per cent next year, 31 per cent the year after, and 26 per cent in 1995-6."

## Last year's firm favourite falls early but outsiders beat Treasury odds

By NICHOLAS WOOD  
POLITICAL CORRESPONDENT

A YEAR ago Malcolm Rifkind proved a runaway winner in Whitehall's annual public spending hurdle. Riding under transport department colours, he stroled away from the field with a 25 per cent increase in his budget. But this year, Mr Rifkind, now contracted to a less fashionable stable in the defence department, came in last.

The Chancellor's statement revealed that his budget is being cut by 10.5 per cent in real terms over the next three years. In cash terms, this amounts to a cut of £1,050 billion against previous plans for the period 1993-95 and it means that spending in 1995/96 will be lower than in the current year.

The defence secretary was quick with his excuses. *Options for Change*, the economy programme set out under the previous management in 1990 with the ending of the Cold War, was advanced as the main reason for the scaling back of military ambitions. Defence chiefs now will have

## WINNERS AND LOSERS

to put more of their pet equipment projects to the sword.

Lord Mackay of Clashfern, the Lord Chancellor, an unlikely contestant in these most political of stakes, was an equally unlikely loser. His budget is increased by £380 million but ministers have lost patience with the open-ended commitment to legal aid and new courts are being put in place. Lord Mackay will have to find savings of £200 million over the next three years.

Michael Howard, the environment secretary, had a mixed outing. His local government settlement was cut back by £520 million, suggesting this council tax bills next April will rise more steeply than many Tory MPs have hoped. The loss in the following year is even harsher at £750 million. The housing budget is being trimmed back by £40 million.

However, Mr Howard, a late and apparently reluctant convert to Labour's policy of allowing councils to spend

more of their capital receipts from council house sales, was able to claim that he had not been entirely eclipsed. Town halls, which have been vilified by the Conservatives for the past decade for their allegedly spendthrift ways, are to be put in charge of spending £1.75 billion on capital projects such as the renovation of rundown properties, new schools and other construction work. Mr Howard will give details today of a policy shift apparently pushed through by Sir George Young, one of his junior ministers.

The environment secretary also won an extra £750 million to be spent this winter to buy up empty properties. The aim is to tackle homelessness and shore up the property market. A crude division of the cabinet into winners and losers is complicated by the fact of the public sector pay squeeze, limiting increases to a maximum of 1.5 per cent. Every spending minister with a substantial client group of public sector workers loses from the

clampdown in the sense that they will be spending less money on pay than originally envisaged.

The more important point is what happens to the money. While Mr Howard and Mr Rifkind have had to hand some back to the Treasury, other ministers have been able to pocket the savings and spend them on expanding services. The problem for them all is that their captive workforce — nurses, teachers, doctors, dentists, servicemen and local authority workers — may not be willing to play ball, particularly since the squeeze threatens to extend all the way to the next election.

Virginia Bottomley, John Patten and Peter Lilley are the three ministers to make the winners' enclosure. Mrs Bottomley, the health secretary, in her first outing over the Treasury sticks, has won an extra £120 million over previous plans for next year. Allowing for the pay squeeze, she has delivered a real increase of 3 per cent. Health

spending in England goes up by £1.6 billion next year, an extra £300 million for education. In real terms his budget is 3 per cent higher than this year.

But perhaps the most surprising victor is Mr Lilley, the Thatcherite social security secretary. In spite of all the speculation about horrors such as real cuts in payments or the taxation of such favourites as child benefit, Mr Lilley was able to walk away from the wreckage. His sole contribution to the economy drive was yet another promise to crack down on fraud.

Michael Heseltine, the president of the board of trade, who had earlier renounced all hopes of glory by promising to reduce his baseline, showed briefly near the finishing line with another £700 million to help exporters shoulder the threat of bad debts abroad. In the Alice in Wonderland world of the spending round, almost every minister claimed a prize yesterday. The outcome will be clearer this winter when the results of their pay squeeze gamble are declared.

## Town halls receive little relief

By SHEILA GUNN  
POLITICAL CORRESPONDENT

LOCAL authorities will receive a 3.1 per cent increase in their budgets from central government next year, which will give them little scope for easing in the council tax.

Michael Howard, the environment secretary, is expected to announce later this month that he has secured about £400 million in transitional

## COUNCIL TAX

relief for the new tax. Originally he is thought to have asked for around £2 billion.

Estimates of £400 million are likely to mean tax bills of around £550 for the average household next April.

Norman Lamont, the Chancellor, warned local authorities against diverting money that could be used to keep down council tax bills into higher pay awards, in breach of the government's 1.5 per cent public pay limit.

"The proposals assume that local authorities implement in full our policy of pay restraint. Provided they do this, the savings made will enable them to ensure proper provision of services without exerting upward pressure on the council tax," he said.

## Public sector curbed

Continued from page 1 of an example for the private sector, which he said tended to lead public sector pay, rather than the other way round. The Confederation of British Industry, which first urged pay restraint on the government, announced this week that private sector pay settlements are now running at 4.2 per cent.

Ministers have judged that the 1.5 per cent ceiling is likely to be enough to prevent any widespread industrial action in response, at a time when unions are weak and unemployment is still increasing.

The Treasury said that the pay limit will lead to savings of £1.5 billion on the total public sector pay bill of £80 billion. The new limit came into effect immediately yesterday. All pay offers made from now will be governed by it, though any bargaining groups with still-outstanding pay offers will have them honoured.

Trade union reaction was unanimous, with union leaders attacking what they said was public sector workers being made to pay the price for the government's economic incompetence. Norman Willis, TUC general secretary, said that the limit "will store up grave problems for the future." All public sector unions have been called to an emergency meeting at the TUC next week.

The CBI welcomed the move on pay. Howard Davies, its director-general, who pressed the need for pay restraint when invited to speak at the TUC's annual conference two months ago, said: "The tight control on public sector pay is particularly important."

## Extra £750m promised to buy empty properties and encourage ownership

By RACHEL KELLY, PROPERTY CORRESPONDENT

THE government is to spend an extra £750 million to buy 20,000 empty properties over the next four months. Of this, £580 million will be spent in England, where total spending will increase from the £7.7 billion originally planned to £8.3 billion now forecast.

The £580 million will be spent by housing associations funded by the Housing Corporation to buy 16,000 empty and repossessed homes. Another £30 million is to be spent on cash incentives to local authority tenants to buy homes in the private sector.

and about another £20 million for housing association tenants to do the same.

The government is relaxing the rules to allow local authorities to spend the capital receipts they raise from the sale of council houses and other surplus assets over the next 14 months. The Chancellor estimates that councils will thereby have an extra £1.75 billion to spend, some of which councils could decide to spend on housing.

Michael Howard, the environment secretary, said yesterday: "It will be up to local

## HOUSING

authorities to decide how best to use the money. However, I will be announcing the details of a new scheme shortly which will encourage councils to invest in areas of lasting benefit to local communities and industry."

Jack Straw, the shadow environment minister, questioned whether councils would be able to raise as much as £1.75 billion. "Mr Howard has made the almost certainly improbable assumption that right-to-buy sales will pick up from their present low. If they

do not pick up, his 'extra' £1.75 billion will not materialise. Tenants gripped by the fear of the dole do not materialise."

Lenders hope that some of the money could be spent on mortgage rescue schemes to help those facing repossession.

Separate increases in housing budgets for Scotland and Wales were announced, which will increase the total to be spent buying repossessed and empty properties across the country to £750 million. Mr Lamont estimates that 20,000 homes will be bought, adding to the 153,000 homes the government has promised to build over the next three years.

The £632 million to be spent on social housing in England is a 8.1 per cent nominal increase, or 4.4 per cent in real terms. The news was welcomed by lenders. Adrian Coles, of the Council of Mortgage Lenders, said: "This is a very significant sum of money. I estimate that 20,000 homes over four months will account for 6 per cent of the sales during that period."

The government's action would help the slump in the owner-occupied housing market, and could mean that prices start to rise, or at the very least price drops could start to slow, Mr Coles said.

## Abbey cuts mortgage cost as base rate falls for fifth time

By LINDSAY COOK, MONEY EDITOR

MORTGAGE rates are on the way down for the fifth time this year following the announcement of a 1 percentage point cut in bank base rates. Abbey National was the first to cut its base mortgage rate by 0.75 per cent to 8.5 per cent immediately for new borrowers and on December 23 for existing ones.

The reduction means the cost of a £60,000 endowment mortgage will be reduced by £33 a month to £372. Other lenders are likely to fall into line. Abbey loans of more than £60,000 are down to 8.3 per cent and those over £100,000 are down to 8.1 per cent.

National & Provincial cut its mortgage rate to 8.5 per cent for new borrowers and has not announced a date when it will fall for existing borrowers. It is also offering a fixed-rate mortgage at 6.25 per cent until 1994 for first-time buyers.

Jim Birrell, chief executive of the Halifax, the largest mortgage lender, said: "The 7

per cent base rate is very good news for the housing market. It is what we have been calling for. We shall certainly be reducing our mortgage rates and will announce our new rates shortly."

Nationwide said it hoped to cut its rates before the new year. The Woolwich said: "We

## REPAYMENTS

Mortgage rates now and possible future rates		
Loan size	8.25%	8.5%
Endowment		
30,000	173.45	159.38
40,000	250.54	230.21
50,000	327.62	301.06
60,000	404.70	371.89
70,000	481.78	442.71
80,000	558.87	513.55
90,000	635.95	584.38
100,000	713.04	655.21
Repayment		
30,000	213.33	202.58
40,000	288.45	272.59
50,000	375.02	354.01
60,000	461.58	435.44
70,000	548.14	516.87
80,000	634.71	598.29
90,000	721.27	679.72
100,000	807.85	761.14

welcome the base rate cut. It will obviously mean a rate cut. We would expect it to be in the realm of 0.75 percentage points."

The cut came too late for a reduction for existing borrowers from December 1. The Leeds said it would announce next week how much it would cut its mortgage rates. Mike Blackburn said: "Interest rates haven't been at this level since Jim Callaghan was in power and Virginia Wade won Britain's last Wimbledon singles title. What it also means is that the argument now swings very much in favour of home ownership as opposed to renting."

Mortgage rates started the year at 11.5 per cent but about four million of the country's ten million borrowers have not felt the benefit of the reduction yet because their mortgages are on an annual review scheme which will not be changed before January. People with a £60,000 mortgage started the year paying £519 a month.



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'The government has no intention of engineering a short-lived boom'

## Private sector the engine of growth, Lamont tells MPs

This year's Autumn Statement was drawn up against a background of continuing recession at home and renewed weakness abroad. Norman Lamont, the Chancellor of the Exchequer, told MPs yesterday.

"Despite exceptionally low interest rates, confidence in the United States remains depressed. Industrial production has fallen sharply in Japan," he said. "The countries of continental Europe face the prospect of continuing high interest rates and a marked slowdown in Germany."

"It is not surprising, therefore, that here in Britain, the recovery that nearly all forecasters expected at the time of the Budget has still not become established."

"There has been an encouraging increase in retail sales. But the housing market remains depressed and confidence has taken a severe blow from the turmoil in the foreign exchange markets that led to sterling's suspension from the ERM."

### Economic strategy

"Against this difficult background, a strategy that brings renewed confidence and a return to growth is more essential than ever," Mr Lamont said. "But the government has no intention of engineering a short-lived boom that would lead swiftly to higher inflation and higher interest rates."

"Our objective is sustainable, long-term growth. And our strategy to achieve that is based on three principles."

"First, with the pound floating, a completely new framework is required for monetary policy. Interest rates are now set according to British monetary conditions — to meet the target I have established for inflation. Underlying inflation will be kept within the range of 1-4 per cent, and our aim is to get it down to the lower half of that range by the end of this parliament. Low inflation is the key to sustainable growth and a lasting reduction in unemployment."

In the past few months of

■ The Chancellor is sticking to his guns on inflation in the government's attempt to pull Britain out of recession

Britain's membership of the ERM, Mr Lamont said, monetary policy was tighter than needed to achieve the government's inflation objective. Monetary policy had to be neither too lax nor too tight. Outside of the ERM he had been able to cut two points off interest rates, which would boost the economy without re-igniting inflation. He expected inflation to be below 4 per cent by the end of next year and GDP to rise by a percentage point.

His second principle was an appropriate balance between fiscal and monetary policy. "The government therefore put in place last July a clear medium-term strategy for the control of public spending, designed to ensure that public expenditure declines as a share of GDP over time," he said.

"The new system is based on a top-down approach. Clear and affordable limits are set for the total level of public expenditure and the government can then settle its priorities through a process of collective discussion — involving first a new cabinet committee, and then the full cabinet itself."

The third principle was that the best way to increase the long-run growth rate was to make markets work better. "So we will be pressing ahead with our policies on privatisation, deregulation, cutting out waste and keeping the tax burden on companies and individuals as low as we can."

"We must also fight for the interests of British business in world markets and provide them with the best environment in which they can compete and succeed. And in the short-term, that means securing a successful outcome to the GATT round."

"Low inflation, tight control of public spending, open markets, competition, and a vigorous supply side policy — these are the principles of the government's strategy and they provide the right framework for economic growth."

"I do not believe that governments can spend their way out of recession. It is individuals and companies in the private sector that are the engine of economic growth."

That did not mean that the government's task was complete. It was investing for the future and looking at specific policies to ease the path to recovery. Taking account of new measures to rebuild confidence and strengthen the economy, he expected the PSBR this year to rise to about £37 billion.

"Of course that is high," Mr Lamont said. "But borrowing is bound to rise in a recession, and it would be damaging to seek to prevent it from doing so. As the economy recovers it is absolutely vital that borrowing is brought back towards balance. We have made an excellent start today with a tight overall settlement for public spending."

Although there would be the

### National insurance

Mr Lamont told MPs that much of the recent increase in the PSBR reflected the rapid growth in expenditure on social security benefits, and that had damaged the financial position of the National Insurance Fund. Because of the weakness of the economy it had not been appropriate to raise NI contributions to reduce the shortfall.

Although there would be the

usual indexing of earnings limits and employer contribution rates would remain unchanged. A Treasury grant would make up the shortfall.

### Public spending

Mr Lamont said that it was vital to put the needs of the economy first. The government had sought wherever possible to protect programmes, particularly capital programmes, that would promote recovery.

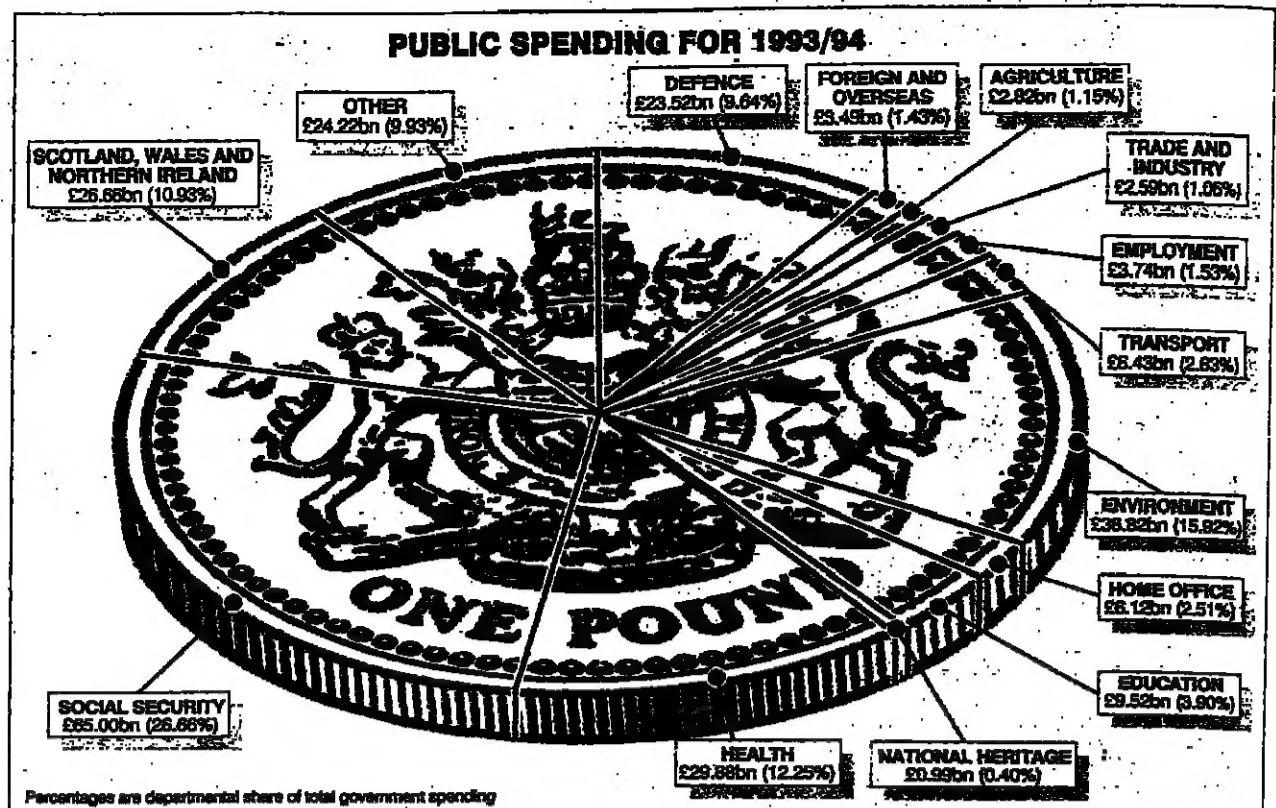
Debt interest payments were rising rapidly, diverting billions every year from spending on services. The cabinet had decided in July to set a limit for the public spending round that would firmly control expenditure.

"That remit had two elements," he said. "For next year, we set ourselves the objective of sticking to existing cash plans. And, for the three survey years as a whole, our aim was to hold the growth of the New Control Total down to 1½ per cent or less, to keep the overall growth in public spending to a rate below that of the economy as a whole."

"Although our target for next year of £244.5 billion allowed a real increase of 4½ per cent, the pressures for more spending have been intense. And we have had to consider carefully whether the original targets were achievable."

"But I can now announce to the House that we have indeed hit our target. The planing total for next year will be £244.5 billion. As a result of certain definitional changes I should warn the House that the number which actually appears in the printed document will be slightly different. It will, in fact, be £2 billion lower."

"I can also announce that the new totals for 1994-5 and 1995-6 are fully consistent with the remit agreed in July. Despite the pressures that



have emerged since the summer, the real growth in the New Control Total over the next three years will average just under 1½ per cent a year, half the rate of growth over the last three years.

"To meet our objectives we have had to look very carefully at every single programme and particularly at current spending. The biggest single budget is of course social security. Indexing the social security benefits in the coming year would cost £2½ billion. And if we are to protect capital spending it is to areas of current spending that we must look first."

"But, I can now tell the House that despite the many claims on the available resources the government has been able to meet in full its commitment to index pensions and other benefits."

### Pay

The other major claim on public spending was public sector pay. Mr Lamont said. Public sector pay had risen on average by 20 per cent over two years compared with 13 per cent in the private sector. All employers had to tightly control their payrolls if recent gains in competitiveness from the exchange rate fall were not to be lost.

Public sector pay settlements in the coming year would be restricted to a maximum 1½ per cent. Growth in payrolls in each area must be kept as low as possible.

"The restriction will apply to the whole of the public sector and related bodies without exception, regardless of whether pay is negotiated, recommended by the Review Bodies or subject to formula calculations. It will apply to all officers made from today, though formal offers already made will be honoured."

The government will in due course bring forward a resolution on MPs' pay, consistent with this policy. Ministers will receive no increase at all."

### Other programmes

The decisions made on public sector pay would lead to savings of 1.5 billion a year, permitting higher levels of service and higher capital programmes, Mr Lamont said. Even so, hard choices had had to be made.

Over the next few years, defence expenditure would continue to fall. Further savings consistent with the policies underlying the Options for Change review would be made.

The legal aid budget had been putting immense pressure on public finances. The Lord Chancellor would announce changes to restrict its growth. Applying similar discipline to local government finances, central government support for local authority revenue expenditure in England would rise by 3.7 per cent next year, and by 3.1 per cent thereafter. There would be a special grant of £539 million in England to help local authorities to meet new responsibilities for community care.

"This settlement should be fully adequate to meet local authorities' requirements," Mr Lamont said. "The proposals assume that local authorities implement in full our policy of pay restraint. Provided that they do this, the savings made will enable them to ensure proper provision of services without exerting upward pressure on the council tax."

The government will not hesitate to use its capping powers as necessary."

Mr Lamont said that at the time of the election, the government had made clear that education and health would be among its priorities for the long term. The education programme was therefore planned to rise to a level 1½

million higher in 1995-6 than in this year.

The proportion of children staying at school after age 16 was expected to continue rising. And the government would finance a sharp increase in students attending further education.

"All this is an important investment in our young people which will improve the quality of the country's human capital and benefit the economy in the longer term," he said.

"There will also be increases in the level of real resources provided to the National Health Service in each of the next three years. Spending in the NHS will rise by nearly 3 per cent in real terms next year compared with this year's plans. That means an increase of over £1.9 billion."

### Capital

"Restraint on current expenditure has made it feasible to provide more protection to

ment has only been prepared to give the go-ahead to private projects after comparing them with a similar project in the public sector. This has applied whether or not there was any prospect of the project ever being carried out in the public sector. I have decided to scrap this rule. In future, any privately financed project which can be operated profitably will be allowed to proceed."

This should be widely welcomed, particularly by the construction industry.

"Secondly, the government has too often in the past treated proposed projects as either wholly private or wholly public. In future, the government will actively encourage joint ventures with the private sector, where these involve a sensible transfer of risk to the private sector."

Thirdly, we will allow greater use of leasing where it offers good value for money. As long as it can be shown that the risk stays with the private sector,

home-buyers now have some of the lowest mortgage rates since 1978. And the government has responded in a number of other ways, most recently with measures to help those with negative equity who wish to move. Today, I propose to go further."

"The overhang of empty properties in the owner-occupied sector is holding back activity in the housing market. I therefore propose to make available an extra £750 million to be used before the end of this financial year to buy up some of these properties. I hope that the Housing Corporation will be able to achieve a substantial contribution on top of this from private sector lenders. Scotland, Wales and Northern Ireland will introduce parallel measures."

"This measure should reduce the overhang of empty properties by over 20,000 over the next few months, so providing a helpful stimulus to activity. It will also increase the available stock of subsidised housing by a similar amount and make a real contribution towards housing families in need."

### Capital allowances

"For a limited period of twelve months, I propose to raise from 25 to 40 per cent the allowances available in the first year for investment in plant and machinery, excluding cars. I also propose to introduce an initial allowance of 20 per cent for expenditure on new industrial and agricultural buildings for which contracts are placed before 31 October 1993 and which are brought into use before the end of 1994. I propose to legislate for these changes, with retrospective effect to 1 November, in the next Finance Bill."

### Car tax

Mr Lamont said that he would continue with tax reform begun in the last Budget and abolish car tax from midnight. "This will mean a saving of about £400 on a typical family car. This measure will require a simple Bill, which I shall bring forward shortly. It will provide a direct boost to the motor industry and will, of course, benefit business more widely. I am sure it will be warmly welcomed."

In conclusion Mr Lamont told the House: "The measures I have announced today should provide an immediate boost to confidence and welcome relief for some of the most hard-pressed sectors of the economy."

"Taken together they will add some £4 billion to borrowing over the next three years but with no increase in the PSBR over the medium-term. And these measures come on top of the government's new spending plans for the next three years and the proposals I have announced to liberalise the rules on private finance."

He added: "Alongside the tight public expenditure plans I have announced I believe it is appropriate now to make a further reduction in interest rates."

"The governor and I have agreed that the Bank will tomorrow set the Minimum Lending Rate at 7 per cent. That reduction is, in my judgement, fully consistent with the Government's inflationary objectives."

"Today's reduction takes British interest rates down to their lowest level for nearly 15 years."

"It means that our interest rates have been cut by fully 8 per cent over the last two years. It takes a further £1 billion off industry's costs on top of the £9 billion fall in interest payments we have already seen, and it will provide further help to all those with mortgages."



Keeping account: Michael Portillo in Downing Street yesterday. As Norman Lamont read out the Autumn Statement, its principal architect, Michael Portillo, sat silently behind him. In spite of talk of the toughest public spending round, ministers

appear to hold no grudges against the chief secretary to the Treasury, who has been marking their programmes with his red pen. The introduction of a cabinet public spending committee, known as EDX, took some of the limelight off Mr Portillo.

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# Labour condemns lack of help for the unemployed

By ARTHUR LEATHLEY AND JOHN WINDER

GORDON Brown, the shadow chancellor, condemned the Autumn Statement for failing to help the unemployed or to generate significant economic growth.

Unemployment would continue to rise, he said, Britain's balance of payments deficit would continue to worsen and hospital waiting lists would grow. Nor was there anything to curb the number of business bankruptcies. Public sector pay had been frozen and the low-paid were being made the "scapegoats for your economic failures", he told Mr Lamont.

Omissions from the statement were more significant than what it contained, he said. In particular, investment had been cut in the trade and industry, and employment departments. Britain was still bottom of the European league table for investment. Between 1987 and 1995 there would be a £2 billion reduction in spending on employment.

By failing to take direct action against unemployment, "the confidence necessary to get the economy moving will not return. Having been driven by events to signal a change of policy against your will, you have not only failed to admit the scale of the mistakes made, but failed to measure up to the extent of the problem the country faces now."

The government had taken up the very Labour policies it had derided until only a few weeks ago, Mr Brown said.

He attacked Tory MPs for cheering the statement, just as they had done last year before one forecast after another proved to be wrong. Investment, manufacturing output, exports and unemployment predictions had all been inaccurate.

Virtually all economic forecasts made by the Chancellor in the past year had been wrong, he said. He asked Mr Lamont: "Can you give us one good reason why we should

**BROWN**  
believe anything you have said this afternoon?"

Mr Lamont's announcements on export credit, investment incentives and the release of local authorities' capital receipts showed that he had been dragged by public opinion into accepting some of the measures that Labour had proposed many months ago.

Mr Brown said the problem was that the Chancellor had been pushed part of the way by pressure, but lacked the conviction to follow the recovery programme that was now needed.

With nearly a million people



Brown: virtually all forecasts were wrong

on health service waiting lists, people would be interested to know why NHS spending would not keep up with the needs of demography and technology.

Local authority spending would be down by £500 million a year and the government was assuming that council rents would rise by 9 per cent a year.

"How does he justify breaking yet more election promises that public spending programmes would be met?" said Mr Brown.

Mr Lamont's proposals would maintain the recession,

damage efficiency and hit the weakest the hardest. Having abandoned the unemployed and the low-paid by the abolition of wages councils, hit the sick and disabled by underfunding the health service, and made nurses and home helps pay the price of failed government policy, there was now no one left for the government to betray.

To Labour cheers, Mr Brown concluded: "The country will never trust these men again; never trust these ministers and never trust that party. The real fresh start that this country needs is a fresh programme of measures under fresh leadership."

Replying, Mr Lamont said Mr Brown's response had been "a pretty feeble showing" even though he appreciated that it was difficult to respond so quickly.

He could not understand the reaction to a statement which included a reduction of 1 per cent in interest rates, a boost to private sector investment by increased capital allowances and a boost to the construction and motor industries.

The only possible explanation for Mr Brown's view was that he believed increased employment came from government spending, which was wrong because it came from the private sector.

Mr Brown's points about individual programmes were also wrong. There were, for example, to be cash increases in overseas aid, not cuts. The health programmes showed spending rising each year so that there could be more treatment of patients.

The health service employed much labour and putting a ceiling on pay meant that more could be spent on services to patients. There would be a real increase in employment department spending and training, while budgets for enterprise councils would remain virtually intact.

## Lilley announces surprise uprating

By JILL SHERMAN, POLITICAL CORRESPONDENT

PETER Lilley, the social security secretary, pulled off a public relations coup yesterday by announcing benefit upratings in line with inflation and further action against fraud.

Despite speculation that Mr Lilley would have to bear much of the extra costs of unemployment next year, estimated at £3 billion, the social security budget has been increased by nearly £10 billion to £79.8 billion. This is £4 billion more than planned, most of which will go on higher than expected unemployment. All main benefits will rise by 3.6 per cent from April, and extra help will be given to carers, guardians and some war pensioners.

To assure right-wing Tory backbenchers that he was playing his part in containing public expenditure, Mr Lilley said he would save £1 billion next year by spending £10 million on combating benefit fraud. Local authorities would be given a greater financial incentive to chase up housing benefit and council tax fraud, said Mr Lilley.

"Those who defraud the system have nothing in common with the vast majority of honest and genuine claimants. And every pound lost through fraud means less for those in real need," Mr Lilley also laid regulations to withdraw income support from all those including travellers, who were not actively seeking work.

Compulsory medical checks to restrict the number of people claiming invalidity benefit will also be introduced as part of the current review of the benefit which will cost the state £7 billion in 1995/96. The new restrictions are expected to save £240 million over the next three years.

Savings would be made by

### BENEFITS

bearing down on operating costs, by acting against fraud, and by curbing programmes which "might otherwise pre-empt the resources needed to sustain recovery in the longer term", said Mr Lilley. "As a result we have been able to protect benefits for those hit by the chill wind of world recession, to channel increased support to the most needy and to keep the pledges we made in April," Mr Lilley said in his Commons statement.

Mr Lilley said the uprating would cost £2.5 billion and the real increases in disposable income of those on income-related benefit would be worth a further £1 billion. Poverty organisations prepared for rises in some benefits of less than the rate of inflation were so relieved about the full uprating that they failed to focus on small cuts in some war pensions, housing benefit and statutory sick pay. Mr Lilley expects to save £20 million by freezing the higher rate of statutory sick pay and £19 million from raising the amount deducted in housing benefits for adult children living at home. Some savings will also be made on abolishing war pensions for those with minor hearing loss.

However this will be offset by £5 increases in benefits to 200,000 war pensioners. The Child Poverty Action Group said the government's policy for growth had done little to give spending power to poor families. "After the scaremongering of recent weeks, we are relieved that some of the most damaging social security cuts have been fought off," said Fran Bennett, director of the group. "But the government's main



Friendly face: Peter Lilley increased main benefits in line with inflation

policy will remain flawed while those who lost out in the 1980s continue to pay for the economic crisis of the 1990s."

The main upratings are:  
☐ Basic retirement pension for single people to rise by £1.95 a week to £56.10, and for a couple by £3.10 a week to £59.90.  
☐ Unemployment benefit to increase by £1.55 for a single person, and £2.50 for a

couple, to £44.65 and £72.20 respectively.

☐ Child benefit to go up to £10 for the first child, and £8.10 for each subsequent child.

☐ Family credit to rise from £41.00 to £42.50.

☐ Guardian's allowance to rise from £10.85 to £10.95.

☐ Income support goes up from £25.55 to £26.45.

☐ One parent benefit rises

from £5.85 to £6.05.

☐ Invalidity benefit rises from £54.15 to £56.10.

☐ No one on income support will be required, as now, to contribute a minimum of 20 per cent in local government taxation — soon to change from community charge to council tax. This will be worth on average, £1.40 a week for a single person under 25 and £2.80 for a couple.

## Tories hail Lamont's 'courageous strategy'

By ROBERT MORGAN, PARLIAMENTARY STAFF

THE Chancellor's statement was welcomed on the Tory back benches, not only by normally loyal supporters of the government, but also by critics. Nicholas Winter, MP for Macclesfield and a frequent critic, said that he was "pleasantly surprised" and that Norman Lamont had restored his credibility.

Labour MPs were less enthusiastic, although their criticisms were in the main confined to the proposals to hold down public sector pay. They pointed out that women would be particularly hard hit.

Mr Lamont, responding to questioning, made it clear that he expected the banks to play their part in getting the economy moving. He said: "I very much hope that the reduction in interest rates today and the 2 per cent that I have reduced interest rates by since September 16 will be passed on by the banks."

He recalled that last year he had caused to discuss with the banks whether small businesses were getting the benefits of interest rate reductions and the banks had assured him that they were.

"I have been concerned to discover that some banks are operating a floor for interest rates beyond which they will not reduce interest rates. I hope they will consider this position very carefully."

The Tory mood was made clear by John Townsend, chairman of the Tory Treasury committee, who has been critical of government economic policy in the past. "May I congratulate Mr Lamont on his courage and determination?" he asked. The measures would increase confidence and stimulate investment, encourage exports and help the housing market. There was now a coherent economic policy which the Tory MPs would support, he said.

Terence Higgins, the highly respected former Treasury minister and MP for Worthing, hailed the "extremely imaginative package". Sir Peter Tapsell, MP for Lindsey East, and another highly respected figure on economic matters, congratulated the Chancellor on his "economic strategy for growth".

Mr Lamont, replying to questions about the public sector borrowing requirement, said that at £37 billion, or 6 per cent of gross domestic

product, it was far too high. "I am sure it is in the interests of everyone that it is brought down," he said and he added: "We have to address the problem of the PSBR and I will do that." He also said that the present account balance of payments deficit next year was expected to be about £15 billion.

A cautionary note was sounded by George Walden, Tory MP for Buckingham. He said that one of the reasons that Britain was in a bigger hole than some other countries was the debt overhang, which was overwhelmingly housing debt. The Chancellor should avoid giving the impression to the country that he could refit the economy by refitting housing.

Nicholas Budgen, Tory MP for Wolverhampton SE, also a frequent critic of the government in recent months, said everyone should be profoundly grateful for Black Wednesday and the best thing the Chancellor could do to increase confidence was to say that Britain would "never, ever return to the ERM".

Mr Lamont replied that there were now options as to how far and at what speed they could defeat inflation. But he added that they could not avoid the battle against inflation, as Mr Budgen sometimes seemed to think.

For the Liberal Democrats, Alan Beith said that instead of having a pay freeze for ministers, it would make more sense for them to have performance-related pay so that if the package did not work they would not get paid at all.

## AROUND THE LOBBY

### Winter aid for enclave

The government is providing £250,000 worth of humanitarian aid to Nagorno-Karabakh, the mostly Armenian populated enclave in Azerbaijan, Douglas Hogg, a Foreign Office minister, said in a written reply.

The money will be channelled through the International Committee of the Red Cross. The government is concerned about the fighting there, Mr Hogg said, and the humanitarian needs there this winter will be considerable.

Most of the money will be used to provide food, clothing and blankets, but some will be used to help refugees who have fled the area.

### Peer elected

Lord (Ivor) Richard was elected the new leader of the Labour peers yesterday to succeed Lord Clewlyn of Penrhos. Lord Richard QC, a former European commissioner, Labour minister and British ambassador to the United Nations, won 62 votes in a ballot among Labour peers to beat Lord (Charles) Williams, the former merchant banker, who had 35 votes.

### In Parliament

Commons (9.30): Debate on private member's motion on small and medium-sized enterprises.

## PARLIAMENT NEXT WEEK

Norman Lamont, the Chancellor, is to give evidence to the Treasury and civil service committee on Monday.

The main business in the House of Commons next week is expected to be:  
 Monday: Debates on Liberal Democrat motions on housing and on Bosnia.  
 Tuesday: Second reading of the trade union reform and employment rights bill.  
 Wednesday and Thursday: Autumn Statement debate.

Friday: Debate on a private member's motion.

The main business in the House of Lords is expected to be:  
 Monday: Cardiff Bay barrage bill, second reading.  
 Tuesday: European economic area bill, committee.  
 Wednesday: Debates on the economy of the north-east, and on the world food situation.  
 Thursday: Criminal justice bill, committee.

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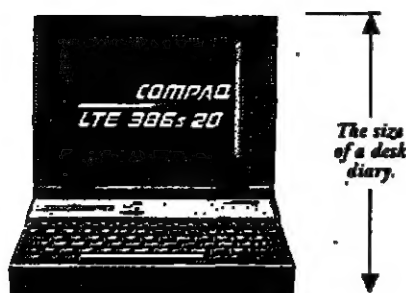
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# Parents want Hillsborough coma victim to die



Barbara and Allan Bland: want dignified death

By KATE ALDERSON

THE parents of Anthony Bland, the Hillsborough victim who has been in a coma for three and a half years, joined doctors in the High Court yesterday to appeal for their son's feeding system to be turned off "so he can die with dignity".

The unprecedented appeal is being opposed by James Munby QC, appointed by the court to act on Anthony's behalf. He believes that switching off the feeding machine would be a breach of a doctor's duty, and could constitute unlawful killing.

The three-day test case has far-reaching significance for the medical staff involved. They fear they could lay themselves open to prosecution for murder or manslaughter or, in some cases, a civil action for damages if they disconnected a feeding tube without court permission.

Crucial to both sides of the case is proving whether artificial feeding can be regarded as medical treatment. Representatives from Airedale Hospital near Keighley, West Yorkshire, where the 22-year-old now lives, told Sir Stephen Brown, president of the Family Division, that they believed

**The Anthony Bland case has far-reaching consequences for doctors treating coma patients who will never recover**

tube feeding him constituted medical treatment.

Mr Munby said: "A doctor who undertakes the care of a helpless invalid is under a duty to feed him. A doctor who, in breach of that duty, fails to feed his patient and allows him to starve to death may be charged with unlawful killing."

"Even assuming that artificial feeding is properly to be regarded as medical treatment, and it ought not to be, there is no justification for withdrawing that treatment. The withdrawal of medical treatment from a patient who is not dying, and Anthony Bland is not dying, can be lawful only in extreme circumstances and if the pain, suffering and distress inflicted on the patient by continuing the treatment clearly outweighs any benefit being derived by him from the treatment. Anthony Bland feels no pain and is not suffering."

Anthony's father, Allan Bland, joined the doctors in asking that the electronic

pump, which feeds his son, be turned off. He told the presiding judge Sir Stephen Brown: "The family want Tony to die with dignity. He certainly would not want to live like this." He said he and his wife, Barbara, had visited Tony for the three and a half years. "We have tried everything but we have had no responses whatsoever."

Robert Francis QC, counsel for Airedale NHS Trust, said that Anthony had been pronounced to be in a "persistent vegetative state" by numerous medical experts, and he had been described as "cognitively" dead since July 1989. Mr Francis said that in such a case it was not unlawful, if it was in the patient's best interests, to withdraw life-sustaining treatment. It would be the underlying brain injury which would cause Anthony's death as a matter of law.

Summarising the reasons for switching off Anthony's feeding machine, Mr Francis said he had no conscious

existence, was completely dependent on others for all functions and had no chance of recovery. "Every case should be treated on an individual level."

Dr James Howe, the consultant in charge of Anthony at Airedale Hospital, told the court: "I do not see any prospect of recovery. I suspected this in the first few months." He considered the electronic feeding to be part of medical treatment, saying: "It's not something that any ordinary person could do."

Anthony suffers regularly from infections which are treated by antibiotics and Dr Howe also recommended their withdrawal. He explained the procedure which would lead to Anthony's death.

"The first thing is that I would not prescribe any more antibiotics and I personally would take responsibility for connecting feeding bottles and water. Then, when the family and I are ready, I will not connect any feeding bottles."

After this Anthony would live for 10 to 14 days. Many medical experts called as witnesses during the hearing agreed that Anthony would feel no pain.



Anthony Bland: no hope of recovery



Dr Howe: he would disconnect the tube

## Blatch aims to weed out 'bad' books

By JOHN O'LEARY  
EDUCATION CORRESPONDENT

BARONESS Blatch, the education minister, has launched a campaign to remove unsuitable books from schools. She is seeking parents' support to banish material containing bad language and political bias.

The School Examinations and Assessment Council (Seac) is expected to announce a selection of drama, poetry and prose before the end of the month, on which low-ability 14-year-olds will be tested next spring.

Seac is also working on an anthology of literature, which will form the basis of testing for 14-year-olds from next year onwards. However, the National Curriculum Council is yet to decide whether to recommend its own list.

Lady Blatch told the Commons education select committee yesterday that she had been sent several books which she found difficult to approve as a parent. "The books I hope will be discarded will be those which parents think inappropriate."

Leading article, page 19

## 1,000 jobs lost as Portland is closed

By PETER VICTOR

PORTLAND naval base in Dorset is to close with a loss of more than 1,000 jobs, the government confirmed yesterday. Unions say the closure will have a devastating effect on the town, taking unemployment to well over 20 per cent.

Archie Hamilton, the armed forces minister, announced the closure in a written reply to Ian Bruce, the Conservative MP for Dorset South, adding that the transfer of the navy's sea training operation to Plymouth and the closure of the base will be completed by April 1996.

The closure will save £70 million over the next ten years and £11 million a year after that. Mr Hamilton said some redundancies might be unavoidable.

The fleet maintenance and repair organisation at Portsmouth is also to be reduced, shedding 400 civilian jobs. The workforce will be cut from 2,210 to 1,810, the minister said. Ship refuelling will cease, although Portsmouth-based vessels will return there for maintenance work.

Portland was earmarked for closure following a review several years ago but was saved when it was found that the cost of relocating its facilities would exceed savings made by closing it. Yesterday's announcement came less than two years after the reprieve.

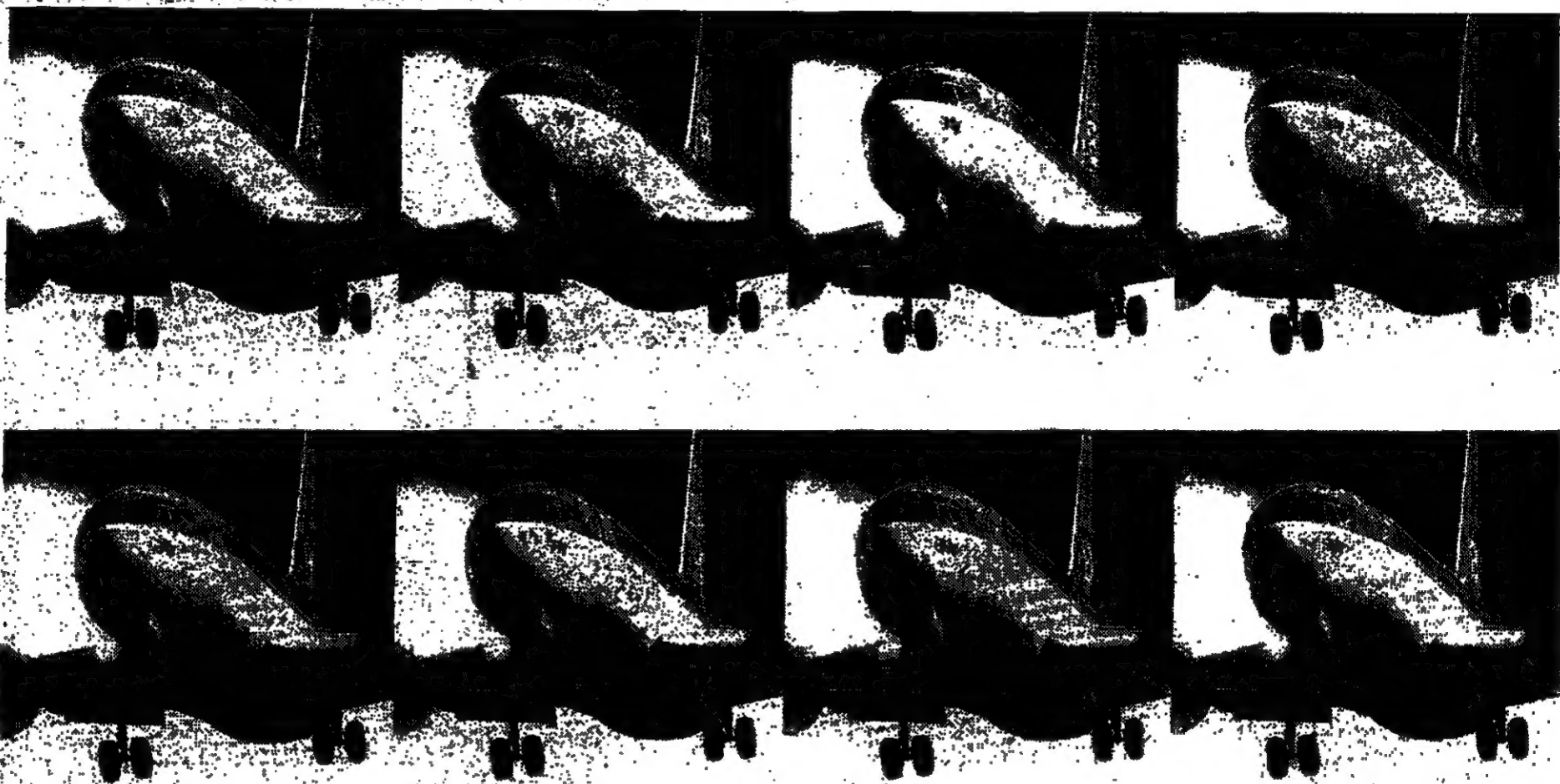
Mr Hamilton said Portland's naval air station, where the Duke of York trained, and which employs 1,200 servicemen and 200 civilians, will remain open.

Workers at the base were told the news by its commander, Rear Admiral John Tolhurst. Richard Price, union campaign secretary, who represents seven unions at the station, said workers were stunned. "We expected the worst but to hear it in the cool light of day is still shocking," he said.

Paul Kimber, a local councillor, said: "This is absolutely catastrophic for Portland and Weymouth. It is a very sad and depressing day." Weymouth and Portland council called on the government to reconsider the decision to close the base.

Murray Ashby, the council's chief executive, said: "Fortyone per cent of the workforce in the borough depends on defence expenditure. We will be presenting ministers with a ten point plan which is essential if the local community and economy is to recover from this blow."

The naval base dates back to 1847 when a breakwater was built by act of Parliament. On 25 July 1849 Prince Albert laid the foundation stone and the base was used extensively during both world wars, coming under heavy enemy attack during the second world war.



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## What future for Europe?



Nigel Lawson, the former Chancellor (left), and Tom Peters, the management guru (right), will speak on vital European issues at The Times/Dillons European Forum.



Chaired by Brian Redhead, the forum will take place at the Institute of Education, 20 Bedford Way, London, WC1 on November 18 at 7.30pm.

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## Labour attacks Major over Iraqi exports 'smokescreen'

■ The prime minister relied on a "personal assurance" from Alan Clark that guidelines had not been breached

By JILL SHERMAN AND ROBERT MORGAN

THE prime minister was last night accused of putting up a smokescreen and using Alan Clark, the former defence minister, as "a scapegoat", after coming under pressure by Opposition leaders in the Commons to spell out his part in the alleged breach of arms exports to Iraq.

Mr Major refused to rule out the possibility that guidelines on exports to Iraq had been breached, but said that he had relied on a personal assurance from Mr Clark, the former defence procurement minister, that this had not happened.

Mr Major told the House of Commons that this assurance was in line with Mr Clark's written witness statement for the Matrix Churchill case. The first sign of inconsistency was Mr Clark's testimony in the case, Mr Major said.

Paddy Ashdown, the Liberal Democrat leader, later accused Mr Major of ducking questions which went to the heart of the integrity of the government.

"The prime minister was asked for an explanation - he has responded with a smokescreen and a scapegoat," Mr Ashdown said. "He appears implicitly to have accused Mr Clark of lying. This is a deeply regrettable response to a very important question."

As the arms to Iraq affair dominated question time exchanges in the House of Commons, John Smith, the Labour leader, challenged Mr Major on when he first knew that guidelines on arms-related exports to Iraq were being breached.

Mr Major, appearing to dodge the question, repeated his earlier promise that the enquiry under Lord Justice Scott would be able to question any minister and to see any documents it wished. "All ministers and officials who are asked to give evidence to the enquiry will be required to do so."

He claimed that ministers, in claiming public immunity, were only doing what they were obliged to do by law.

"It follows that they were not concealing information from the courts. On the contrary they were making available all

the relevant documents to the courts," he said.

"It was then for the judge to decide which of the documents should be protected by public interest immunity and which should not."

Mr Smith accused Mr Major of reading from a prepared statement and of refusing to answer the question. "Can I remind you that this question goes right to the heart of the credibility of your government and I ask you it again," the Labour leader said. "When did you first know that the guidelines on arms-related exports to Iraq were being breached?"

Mr Major drew gasps from backbenchers when he said: "It was not clear at all that they were breached."

The prime minister said the first allegations that the arms embargo against Iraq had been breached were made in an article in *The Sunday Times* in late 1990.

"Following that article I, together with the cabinet secretary, had a meeting with Alan Clark (then a defence minister) and in that meeting he told me it was totally false to suggest that he was advising the companies concerned on how to prepare licence applications in such a way as to conceal military use," Mr Major said.

"Mr Clark took the same position in the written witness statement which he provided to the court case and it wasn't until his testimony in the case, therefore, that I had any reason to believe that what he had told me and what was in the written witness statement might not correspond with his oral evidence."

Mr Smith said that if the prime minister did not believe the guidelines were being breached he must be the only person in the country to have arrived at that conclusion. "Will he tell us that was the whole truth as he knew it at the time?"

"Every parliamentary answer I have given or letter I have dispatched has been based on the position as I understood it to be and I am utterly confident that will be clear in Lord Justice Scott's enquiry," the prime minister said.



In the clear: Mr Bailey, surrounded by reporters outside the Old Bailey yesterday

## Second arms case collapses

By STEWART TENDLER, CRIME CORRESPONDENT

A FOURTH businessman charged by Customs investigators with illegally supplying machinery to Iraq was freed at the Old Bailey yesterday after the prosecution offered no evidence and the case collapsed.

It also emerged yesterday that one of the three defendants in the Matrix Churchill trial, which collapsed earlier this week, had been working for M16, telling them of the Iraqi orders and plans. A director of the company said he was told that a report of the information he supplied would be sent to Margaret Thatcher, who was then prime minister.

The case against Keith Bailey, 57, chairman of BSA Tools, was hastily brought forward to yesterday after the case against the Matrix Churchill businessmen disintegrated following the disclosure of government papers and evidence from Alan Clark, a former minister at the Ministry of Defence.

The Matrix Churchill case fell after Mr Clark's evidence on the application of guidelines on what could be exported was said by the prosecution to be inconsistent with earlier statements. Yesterday in court, Alan Moses QC, who also prosecuted in the Matrix Churchill case, told Mr Justice

Garland that "the proper and only course we can take is to offer no evidence".

Mr Bailey, who is also chairman of Automation Investments, which took over part of Matrix Churchill, was given costs. The case began almost two years ago when customs officers began investigations into the sale of equipment to Iraq.

Mr Bailey, of Streteley, Birmingham, was accused of breaking an order controlling exports of machine tooling, which was specially designed for Iraq, between September 1988 and March 1989. The machine tools were considered suitable for making shells. Mr Bailey, a former chairman of the Machine Tools Trades Association, was present at the meeting with Mr Clark in 1988 when he encouraged manufacturers to emphasise the peaceful use of equipment they planned to export.

Outside the court yesterday Mr Bailey refused to discuss the meeting but said that he would have called Mr Clark and other unnamed ministers as witnesses if the case had gone ahead.

"We have lost 300 jobs in redundancies due to this business. It has had an effect on the company and a lot of people's lives," Mr Bailey said. "I feel a bit sorry for the

government. They were seeking to promote trade like every other country in Europe."

The investigations by a 20-strong Customs team into breaches of embargoes against Iraq will form part of the evidence to the judicial enquiry announced this week.

The Matrix Churchill case revealed that one of the defendants, Paul Henderson, had been working for M16, telling them of the Iraqi orders and plans. Yesterday Mark Gutteridge, sales director for the company, told BBC Radio's *World at One* programme that he had spied for M15, Mr Gutteridge, who would have been a defence witness in the Matrix Churchill case, said it was clear that the machinery could be used for munitions.

He reported to an M15 officer who in turn passed information to M16. On one occasion, Mr Gutteridge said, the M15 man told him that a report of his information would reach Mrs Thatcher's desk. Mr Gutteridge said he believed that the authorities knew what was being exported, that there was concern, and that information went to the prime minister.

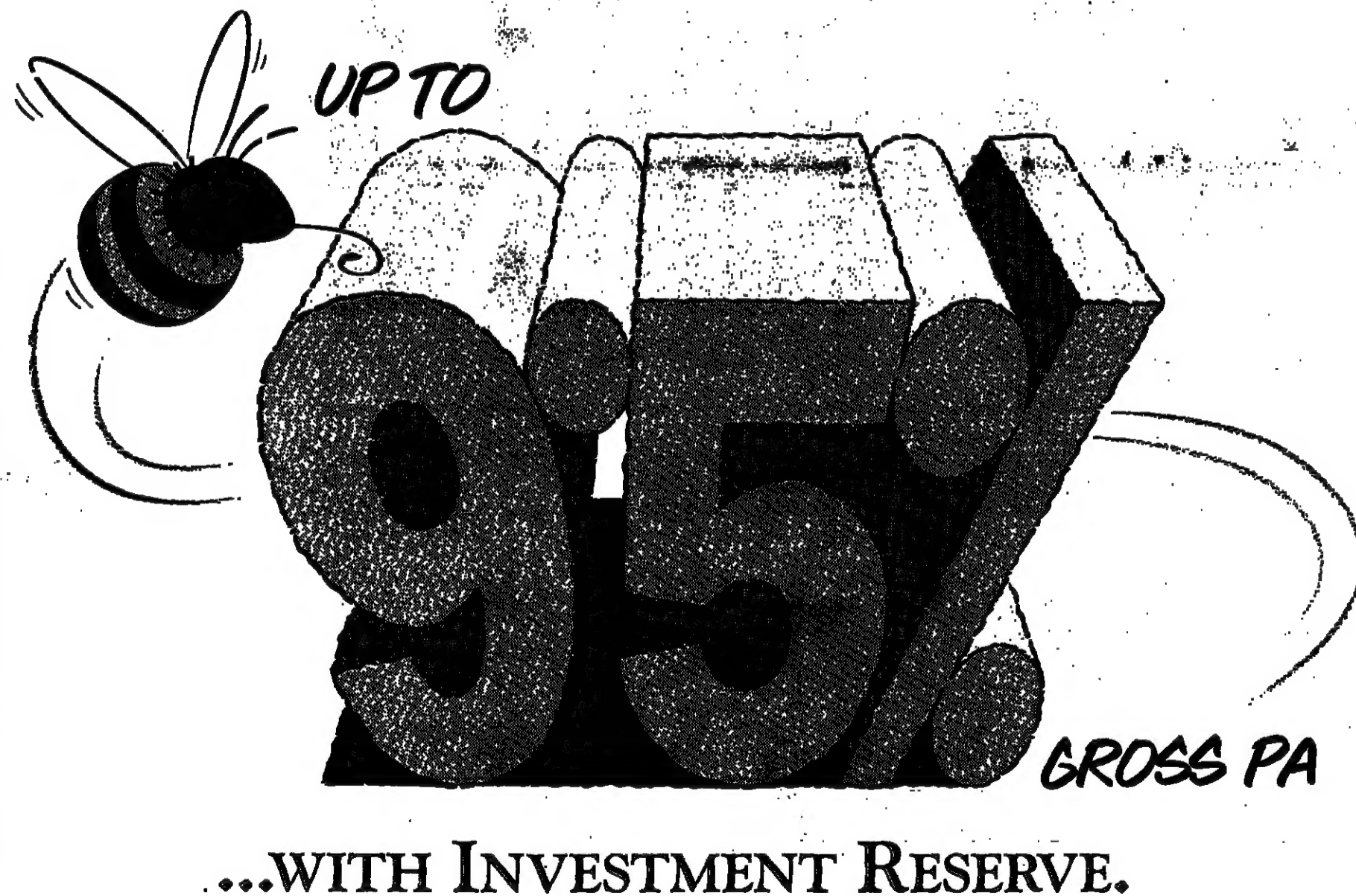
Mr Gutteridge said he was concerned at the way the affair had been sensationalised and that the Iraqis were being told more and more.

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## Wife visits Briton in Baghdad prison

By NICHOLAS WATT

THE wife of the British catering manager jailed for seven years in Iraq has spent four hours visiting her husband in jail. Julie Ride, whose husband Paul was imprisoned for seven years in August after entering Iraq illegally, has just returned to Britain after a three-week trip to Baghdad.

Mr Ride, 33, from Walthamstow in east London, was said to be looking well. He is sharing a prison cell with Michael Wainwright, the other Briton jailed in Iraq.

Mr Wainwright's sister, Susan Priestley, said last night: "Julie didn't see Michael, but she said he was fine and Paul was looking well. We have sent parcels of clothes, a sleeping bag and sheets and they have got through. Paul and Michael are swapping books and even clothes. When Julie saw Paul he was wearing a pair of jeans we had sent Michael."

The two Britons are planning to make a direct appeal to President Saddam for clemency if an appeal in the High Court fails. An earlier appeal in a lower court failed last month, but a spokesman for the Russian embassy in Baghdad, which represents British interests on an informal basis, said he was hopeful they would soon be released.

Gleb Dessiatnikov, the embassy's first secretary, who visited Mr Ride and Mr Wainwright in jail last week, said they were in good health. "They have overcome the initial shock of being in an Iraqi prison,



Ride: planning an appeal to Saddam

now they are a little more relaxed," he said.

The Foreign Office said last night: "We are working hard in several areas to secure the release of Mr Ride and Mr Wainwright and we will not be satisfied until we get that. This new appeal would give the Iraqis an excuse to free these men who are being held for relatively trivial offences. We hope the Iraqis will realise that they will gain nothing by keeping them in prison."

Mr Ride, who had been working in Kuwait, vanished during a visit to business contacts in June near the Iraqi border. He said that he was lured into Iraq by soldiers. He was traced to a prison in Baghdad in August.

Mr Wainwright, 42, from Sowerby Bridge in West Yorkshire, was jailed for ten years. He was arrested in May after cycling into northern Iraq from Turkey.



Journalists may take appeal to Europe

## Newspaper guilty of Blue Arrow contempt

By FRANCES GIBB, LEGAL CORRESPONDENT

THE publishers of the *Mail on Sunday* and two journalists were yesterday fined a total of £60,000 after being found guilty of contempt of court over publishing an article disclosing details of the secret deliberations of the Blue Arrow fraud trial jury.

In a test prosecution, Lord Justice Beldam and Mr Justice Tudor Evans fined Associated Newspapers £50,000 to deter others from committing what they described as a "deliberate and serious breach of the law". Stewart Steven, then editor of the newspaper, was fined £20,000 and Clive Wolman, the City editor, £10,000 for "dangerous and serious encroachment on the jury's functions and its confidentiality in its deliberations".

The journalists, who described their fine as "excessive", announced an immediate appeal, making clear they would go to the European Commission of Human Rights and the European Court if necessary because of

the issues of principle raised. It is the first prosecution to be brought under the section of the Contempt of Court Act 1981 which prohibits the seeking or disclosing of any views or deliberations of jurors.

Mr Steven, now editor of London's *Evening Standard*, said the article vindicated the jury system at a time when it was facing criticism as an unsuitable method for trying complicated City cases. A matter "of great public importance" was at stake. "Once again an editor and a newspaper is obliged to go to the European Court at Strasbourg to seek to establish the simple premise that a free press means a free press allowed to report freely."

Lawyers and the media criticise the fact that at a time when the role of juries in complex fraud cases is under discussion, no research into how they carry out their task is allowed. But yesterday the judges rejected the argument

that publication was justified because the article made a valuable contribution to the public debate on juries in complex fraud trials. Lord Justice Beldam said that to hold that the article did not infringe the law would "emasculate" the purpose of the Contempt Act to preserve the secrecy of the jury room.

"We consider that the free, uninhibited and unfettered discussion by a jury in the course of their deliberations is essential to the proper administration of the system of justice, which includes trial by jury."

The prosecution was brought by the attorney-general Sir Nicholas Lyell QC after the article appeared on July 5. It contained comments made by three jurors on what occurred when they retired to consider their verdicts with other jury members in the Blue Arrow trial, one of the longest and most complex criminal trials in British legal history.



Focus on drug abuse: Ryan Piggott, 11, of St Thomas More Primary School, Kettering, Northamptonshire, trying out professional equipment at the Museum of Moving Image in London after his school received a health department award for its anti-drugs video. The competition attracted 5,000 entries from schools

## Times wins awards for design

By MELINDA WITSTOCK, MEDIA CORRESPONDENT

THE TIMES yesterday received two awards for the design of its feature pages and its use of colour in the thirty-ninth annual Newspaper Design Awards.

Judges bestowed the Colour Newspaper of the Year award on *The Times*, chiefly for its use in the *Weekend Times* section. "This is an extremely covered title for which there is no formal entry but which is awarded at the discretion of the judges to one entry that displays the best use of colour," they said.

*The Times* also took the award for best-designed feature pages in the national newspaper category. The judges praised the "almost immaculate sense of detail in combining excellent pictures, text treatments, colour and spacing, particularly in the *Weekend Times* section where a double spread about Bradford was truly impressive".

The overall winner in the national newspaper design category was *The Guardian*, and Dublin's *Sunday Tribune* was judged the best designed national Sunday newspaper.

### NEWS IN BRIEF

## Ex-Para jailed for shotgun robberies

A former soldier in the Parachute Regiment, who had been described by an officer as a brilliant student but "better suited to being a terrorist than a soldier", was jailed for 25 years yesterday, after being found guilty of two robberies and possessing a sawn-off shotgun. John Calton, 39, unemployed, of Eltham, London, and his accomplices, Robert Moore, 23, of Southminster, Essex, and Sean Wain, 23, of Burnham-on-Crouch, Essex, both builders, denied four charges of robbery and four of having the weapon. The others were sentenced to 20 years each.

Chelmsford Crown Court was told that the three terrorised Bernard Andrews, 44, manager of a Tesco store in Ipswich, Suffolk, and Simon Culling, assistant manager of Barclays Bank in Kelvedon, Essex, into handing over a total of £96,000 by holding their families at gunpoint. Calton, an explosives expert, was said to have covered his tracks by faking an identity for himself as a German motorway engineer. They were all cleared of robberies at two banks in London.

## BSkyB to make series

British Sky Broadcasting yesterday signalled a move away from cheap American and Australian imports by announcing it is to spend about £4 million on its first original British-made mini-series (Melinda Wittstock writes). The four-hour drama *Spread Eagle*, written by the best-selling author Ken Follett, will be made at Pinewood Studios and broadcast on Sky One in late 1993. It will be the first in a series of productions under the *Ken Follett Presents* banner. Mr Follett, who led authors in a battle against The News Corporation's takeover of the publisher Collins, said: "If you can't beat them, you might as well join them. This is the beginning of a long-term relationship."

## FBI hold IRA suspects

The FBI has charged four men in New York with transporting detonators for the IRA. Two other men named in the indictment were convicted last December of trying to buy a ground-to-air missile and are serving four-year jail terms. All six allegedly acquired 2,900 detonators in Arizona and shipped them to New York. Some of the detonators were sent through Canada to Ireland. Officials described the convicted men, Kevin Joseph McKinley and Seamus Moley, as in the "upper echelons" of the IRA.

## HIV blood enquiry

An enquiry into the case of Professor Jean-Pierre Allain, who was convicted in France on charges relating to blood contaminated with HIV, is to be chaired by Baroness Warnock, right, a former mistress of Girton College, Cambridge. It will consider the implications of the court's finding on Professor Allain's ability to work as director of the East Anglian blood transfusion service.



## Family found dead

Police have found the bodies of a married couple and their mentally handicapped daughter in a fume-filled car at a secluded spot near the Somerset village of Charterhouse. Jeffery Parfitt, 49, and his wife Sheila, 47, of Withywood, Bristol, had devoted their lives to looking after Helen, 25, who suffered brain damage after contracting whooping cough as a child. She was said last night to have had the mental age of a two-year-old. An inquest is expected to open shortly.

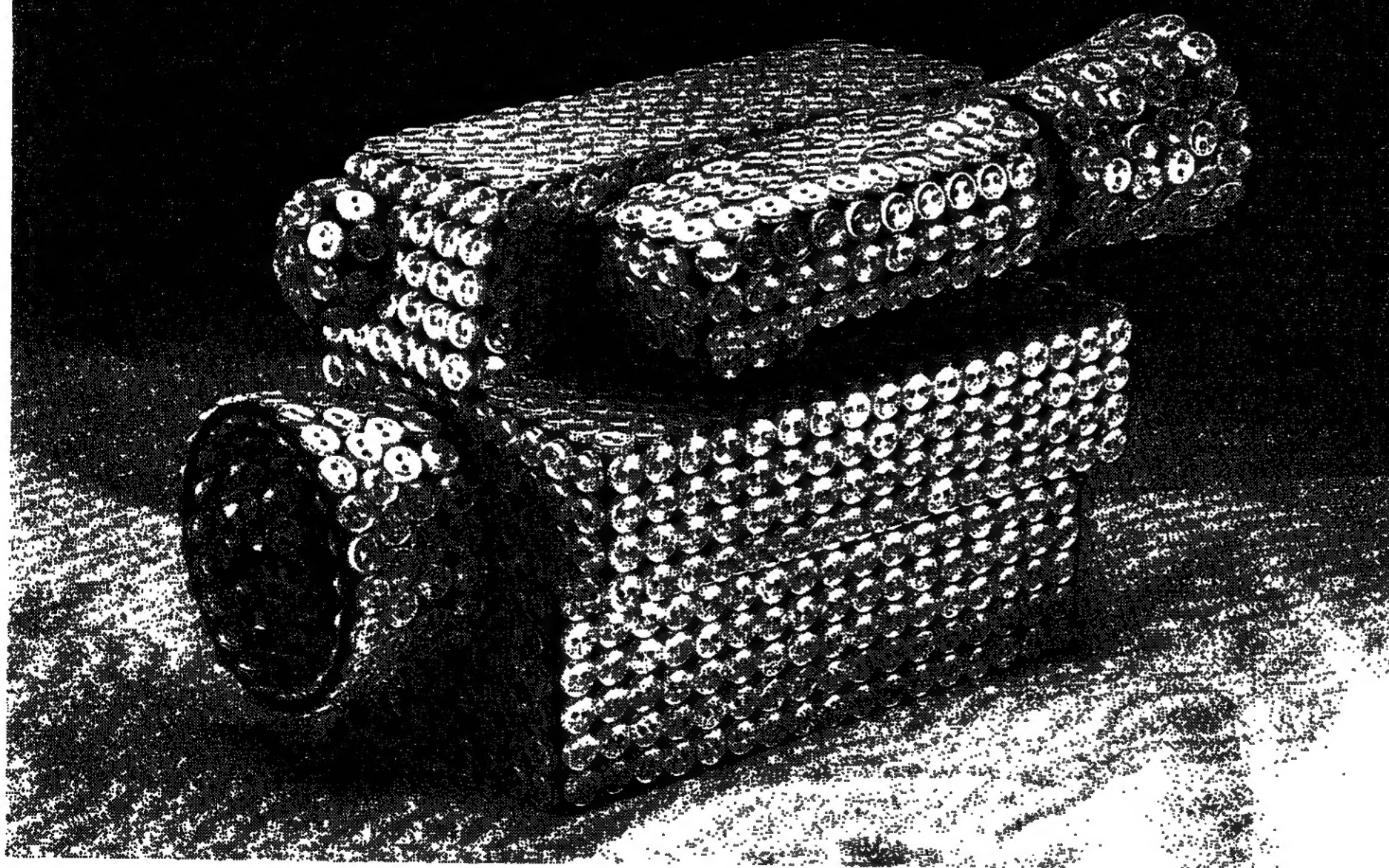
## Vets ban tail docking

Vets were warned yesterday that they could be struck off if they dock puppies' tails for cosmetic reasons. The 40-member ruling council of the Royal College of Veterinary Surgeons declared docking to be "an unjustified mutilation and unethical unless done for therapeutic or acceptable prophylactic reasons". The college was compelled to reconsider its position when the government banned tail-docking by anyone other than a qualified vet. At present docking is usually done by breeders.

## Smoking harms fertility

Smoking has a directly harmful effect on a woman's fertility, according to a report in today's *Lancet* that says infertile women should give up the habit or at least reduce their cigarette consumption if they wish to conceive. Researchers from Bristol University's obstetrics and gynaecology department found that cotinine, a breakdown product of nicotine, could play a critical role in preventing conception where the man's sperm has poor fertilising ability.

## SOME CAMCORDERERS HAVE MORE BUTTONS THAN SENSE.



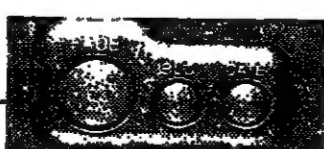
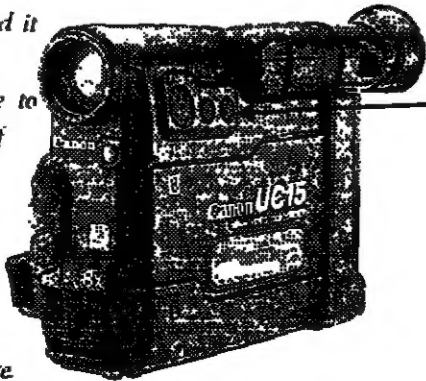
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# High Court closes loophole in cases against drink-drivers

By Bill Frost

A LEGAL loophole which could have invalidated up to 200,000 drink-driving convictions was closed yesterday by the High Court.

The court rejected test case appeals brought by six motorists relying on an earlier ruling that the standard charge sheet used over the past 20 years for those failing to provide breath, blood or urine samples was defectively worded and that it was therefore legally invalid.

Yesterday's decision was a victory for the Director of Public Prosecutions, Barbara Mills QC. Although the charge sheet has been changed since the earlier decision, her department would have faced major administrative difficulties if the appeal floodgates had remained open to tens of thousands of drivers who had been convicted in the past.

Lord Justice Watkins, Mr Justice Macpherson of Cluny and Mr Justice Roch held that the previous ruling, by two judges in the same court, was wrong and was made without proper reference to legal precedent. The three judges refused to certify that the case raised points of law of general public importance.

The High Court's refusal blocked any hopes the six drivers might have had of launching renewed appeals in the House of Lords.

In the earlier hearing it was held that Boodle magistrates had been right to throw out a case brought by Missyside police against Terry Corcoran, 43, for failing to provide samples in breach of the 1988

Road Traffic Act. Last June the judges in that case ruled that the wording of the charge sheet was "bad for duplicity". They said it did not specify whether Mr Corcoran was being investigated, at the time of his failure, for "driving or attempting to drive" under one section of the act, or, under another section, of "being in charge of a vehicle", which carries a lower maximum penalty.

In law, a defendant cannot be tried on one charge for two different possible offences.

Lord Justice Watkins said yesterday that the charge sheets were not "bad for duplicity or uncertainty". The offence consisted of a single course of conduct — failing to provide a specimen without reasonable excuse. This course of conduct stood in isolation from events before or after it.

The judge added that even if the court had agreed with the earlier ruling, it would have refused to allow five of the six appeals because they were brought outside legal time limits. The appeals were based on a legal technicality, he said, and none of the five had suffered any injustice.

The six motorists who had sought the quashing of their convictions included Christopher Shaw of Leeds, West Yorkshire, who was sentenced to two months imprisonment and a four-year driving ban in November 1991. His appeal was the only one brought within the time limits.

James Yates of Bourne-mouth, Dorset, was fined £250, plus £60 legal costs, and

banned for 12 months last February. Paul White, of Widnes, Cheshire, was fined £100 and banned for three years. Graham Boundford, of Llandough, South Glamorgan, was convicted by Barry magistrates in December 1991.

William George Bolton from Coventry, West Midlands, was fined £75, with £25 costs, and banned for 18 months last May.

Gabriel Gus Garcia, from Putney, southwest London, was convicted by a Marylebone stipendiary magistrate in August and given an absolute discharge with a licence endorsement.

Some of the defence lawyers involved in yesterday's hearing said that it was still legally possible for other similar appeals in the pipeline to go ahead.

They argued that the ruling did not cancel out the earlier decision, which had also been made by the High Court.

## BR stirs up tea leaves on the line

By Kevin Eason

IN the unlikely event that British Rail makes all its trains run on time, there will be nothing left for commuters to complain about.

First it turned its sandwiches into something approximating food. Now BR has launched its new, improved tea bag and the tea leaves on the InterCity line from next week will be much improved, a sample of commuting critics said yesterday.

BR serves ten million cups, or 350,000 gallons, of tea every year. Terry Coyle, director of InterCity's on-board services, decided the time had come to take "a refreshing look" at the stuff, and spent a year conducting research.

Passengers at London's Euston Station sampled the old tea and the new Brooke Bond Choice Blend yesterday. Maggie Mayhew, of Croydon, south London, said: "The new tea has a much fuller flavour." But Jeffery Lockett, of Congleton, Cheshire, said: "Neither are exactly subtle."



Better brew: A passenger at Euston station yesterday sampling the new tea

## 44% caught in legal aid trap

By Frances Gibb  
LEGAL CORRESPONDENT

NEARLY half the population is too wealthy to qualify for legal aid yet cannot afford the costs of going to law, the Consumers' Association said yesterday.

David Tench, the association's legal director, said that these people — 44 per cent of the population and growing — were denied access to the courts because they fell into the "middle income trap".

These people are in effect invited to sign two blank cheques: one for their own legal costs, and another, to be paid if the case is lost, for the other side's costs. These could be many thousands of pounds.

Mr Tench said the number of adults eligible for legal aid had fallen by 10 per cent in the decade to 1989. A single person without dependants or a mortgage need earn only £4,790 to be denied legal aid.

A home-owning couple with children on an income of £20,000 are also ineligible, on the basis of April 1989 figures.

The association is calling for new and effective ways of funding litigation for those outside the scope of legal aid.

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## Farmers expect incomes boost

By Michael Hoinsey  
AGRICULTURE  
CORRESPONDENT

BRITAIN'S farmers can look forward to a boost in their incomes on January 1 that will more than offset any losses they are likely to suffer under the reform of the European Community's common agricultural policy and a new world trade order.

This windfall helps to explain why farmers here have been more relaxed than their French counterparts about extra cuts in farm subsidies which the EC may have to concede in resumed negotiations with the United States on the General Agreement on Tariffs and Trade.

Consumers will be less happy. Better returns for farmers will feed through into higher prices in the shops. A 5lb pack of butter could rise by 10p, 1lb of cheddar cheese by 9p, 1lb of sugar by nearly 3p and a loaf of bread by between 1p and 2p, according to the Food and Drink Federation.

Farmers stand to benefit because of the 15 per cent devaluation of the pound since its suspension from the ERM and the imminent abolition of the EC's "green" farm price exchange rates.

The minimum prices farmers are guaranteed are expressed in European Currency Units and then converted into national currencies. Sterling's collapse should thus have led automatically to a 15 per cent rise in British prices.

The only reason this has not happened yet is because a system of border levies and subsidies is used to offset such exchange-rate shifts. But on January 1, when the single market takes effect, these "monetary compensatory allowances" will be abolished at a stroke.

Chris Downs, a National Farmers' Union economist, said: "UK farmers will to some extent be cushioned, but the benefit will not be as big as some people are claiming. The falling pound will also increase farmers' costs by raising the price of imported inputs such as fertiliser."

The NFU concedes that there will be an indirect impact on consumer prices, but says it will be small. "The overall impact on inflation should be less than a quarter of 1 per cent," Mr Downs said.

## Spiro 'was haunted by his past'

The suspected British spy Ian Spiro had received threatening phone calls in the days before his death and the murder of his family in California, according to his brother-in-law.

Ken Quarton, brother of Mrs Spiro, believes that the whole family was murdered. He said that Mr Spiro had said that his past had come back to haunt him and that Terry Waite's book contained the explanation.

Mr Spiro, 46, who was found dead in his car after his wife and three children had been shot in their beds, is suspected of having been a go-between for the CIA and MI6 during hostage negotiations in Lebanon. The San Diego Union-Tribune, which interviewed Mr Quarton, also reported that Mr Spiro had sent a road home on Sunday morning after saying that his family was not at home.

## Race enquiry

The Commission for Racial Equality has found the Handsworth Horticultural Institute, a Birmingham social club, to have been indirectly discriminating against people from ethnic minorities. The club had only white members and operated a proposer/second admission policy.

## Crash victim

Alan Garman, 57, was driving on the wrong side of the road when he was killed in a crash with another car at Bymat, France, in June. A Nottingham inquest was told before a verdict of accidental death was recorded.

## Comic address

The three-bedroom semi in Southampton where the comedian Benny Hill lived as a boy is being offered for sale at £89,000. Hill died this year aged 67.

## £19,000 book

The original, 1852 version of Roger's Thesaurus, which contains 15,000 English synonyms, was sold for £19,800 to an anonymous buyer at Phillips in London.

## Sausage scrolls

Officials at Chichester, West Sussex, have bought 3,000 jars of sausage skin to use as a protective coating for ancient documents in the county's archives.

## Murder case

Police began a murder enquiry after the body of Julie Ayton, 40, was found dead at the King George V pub in Sutton, Norfolk.

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LEC R503W  
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6 Months Interest Free Credit\*

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مكتبة الأمل



## Survey on household income and costs

## British spend smaller slice of earnings on food and clothes

By Peter Victor

PEOPLE are spending less on food and clothing and more on home improvements than they used to. They are also saving money, rather than buying consumer goods, according to government statistics published yesterday.

Average weekly spending for 1991 increased by 4.8 per cent over the previous year to £259. However, when taking into account inflation of 5.8 per cent, the figure represents a decrease in spending in real terms.

Average gross weekly income per household rose by 8 per cent to £363 last year, a further indication that people were saving their money and dampening government hopes of increased consumer spending, to help restart the economy.

Figures published in the Central Statistical Office's family spending report for 1991 were gathered from 7,000 households. The average size of households in 1991 of 2.42 persons per home is the lowest recorded since the survey began in 1957.

Almost one in three households now comprises a single adult, double the number of 30 years ago, while the so-called typical household, made up of a man, a woman and two children, accounts for only 11 per cent. More than

two thirds of homes are owner-occupied and one in five is rented from a local authority.

People spend most of their money on food and housing, together making up nearly 40 per cent of spending for the average household. The proportion of income spent on food has dropped from 33 per

cent of the weekly budget in 1957 to just under 18 per cent in 1991.

Spending on clothing and footwear also fell, from 10 per cent in 1957 to just over 6 per cent last year. The amount on housing and motoring doubled over the same period. Spending on fuel, light and

power is largely unchanged.

The survey highlights differences between the amounts set aside for food and drink by high and low income families. Well-off homes spend £21.53 a week on alcohol and £73.63 on food compared to £2.91 and £21.07 respectively for the lowest earners.

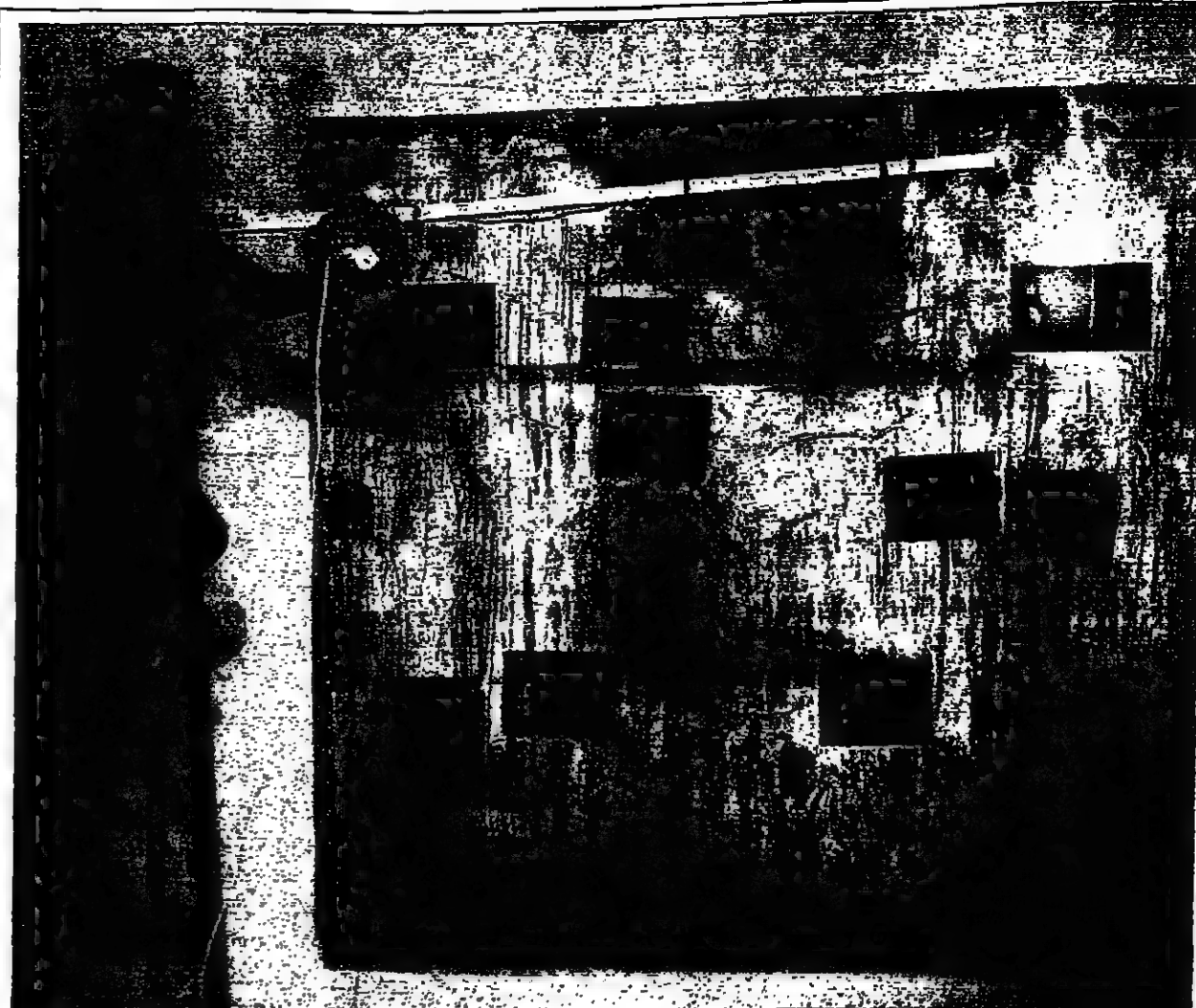
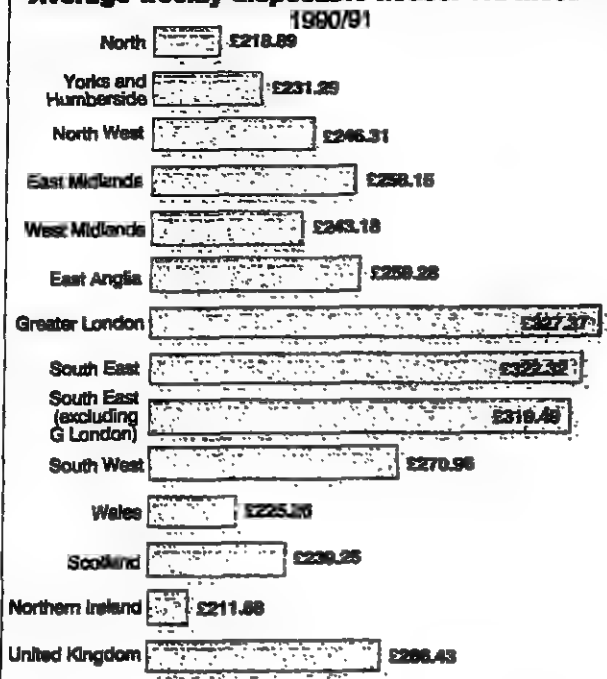
In general, high earners spend more of their income on clothes, footwear, motoring and leisure, while low earners spend more on housing, fuel, light and power, and food.

While most electrical goods are widespread, the number of homes with computers in 1991 had increased by only 1 per cent compared to the 16 per cent figure in 1984. Nine out of ten homes have telephones but one in five homes still has no central heating.

More than two thirds of households own a car, compared to a third in 1964. The greatest concentration of ownership is in the South-East, excluding Greater London, at 78 per cent. Overall, Britons spend an average of £33.98 a week on motoring, with the highest expenditure in the South-West at £42.35 and the lowest in Scotland at £26.23.

Family Spending: A Report on the 1991 Family Expenditure Survey (Stationery Office, £20.50)

## Average weekly disposable household income 1990/91



All lit up: Richard Clegg aims spotlights in front of his work in the interim exhibition by final year painting students at the Royal College of Art, which opened this week (Alison Roberts writes). The exhibition is increasingly important each year, as buyers recognise it as an opportunity to become familiar with the 22 names of the year's young artists. Mr Clegg,

24, from Blackpool, had used holograms and gravel. He said his work was untitled: "I wouldn't like to impose my opinion of my pieces on anyone too heavily, it's up to them to make what they want of it."

The fiery red and gold canvas had been through many stages before the final version was ready. Red-eyed and chain smoking, he had been up all

night preparing it for the opening. Antonia Pollock's large moose head, made entirely of chenille wool and wire, was popular with visitors who touched its nose and remarked on its enigmatic smile. The piece was called *It Could Pull The Wool Over The Eyes Of God*, because "it's not real and it's very desirable and people shouldn't desire a real moose's head", she said.

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## Superquarry plan sets environmental alarm bells ringing

■ Countryside groups want a better solution to the problem of England's voracious appetite for building materials

By Michael McCarthy, Environment Correspondent

A GOVERNMENT proposal to help solve quarrying problems in the South-East of England with a network of "superquarries" on the Scottish coast set environmental alarm bells ringing north and south of the border yesterday.

Scottish Natural Heritage, the government's wildlife and countryside agency, said it could cause enormous damage to outstanding coastline and put jobs at risk in important local industries such as tourism and fish farming. The Council for the Protection of Rural England said it was merely passing the environmental buck to Scotland.

Under the proposal, millions of tons of crushed rock blasted out of coastal cliffs and mountains in the highlands and islands could be transported in container ships to South-East ports and distributed to the construction industry by road, rail and barge.

The move would be designed to ease the pressure on the crowded English countryside, where the extraction of minerals such as crushed rock, sand and gravel — collectively known as aggregates — is running into increasingly stiff opposition. According to the CPRE, last year's forecast of demand, which said that 450 million tons of aggregates would be required annually by 2011, means digging up an area of countryside the size of Berkshire, six metres deep.

The Scottish superquarries proposal is contained in a report commissioned by the environment department, in the wake of argument over the forecast by consultants Arup Economics and Planning. A coastal superquarry would produce perhaps five million tons of rock a year compared with a million for a standard quarry. The report said that planning permission might be refused at many sites, but it was reasonable to assume that up to 20 coastal superquarry opportunities existed.

Tony Baldry, the junior environment minister, said yesterday: the environmental implications would be carefully examined. However, Scottish Natural Heritage was particularly concerned at the proposal. "Badly sited superquarries could cause enormous damage to Scotland's coastline and put at risk jobs in key local industries such as tourism and fish farming," the agency said. Magnus Magnusson, SNH chairman, said: "Scotland's outstanding coastline is one of its most important environmental assets. It must be the secretary of state's responsibility to ensure that it is not put at risk for the sake of a comparatively small number of jobs."

Ben Plowden, of the CPRE, said the government should look at curbing demand for minerals, rather than increasing the supply, as it was doing with water.

## Condom collection fetches thousands

By Sarah Jane Checkland

A COLLECTION of five condoms, believed to have been made in England during the 19th century, sold at Christie's in London yesterday at prices ranging from £400 to £3,000.

Described in the catalogue as "rare male contraceptive devices", they were made from animal membrane, dyed pink, with a silk tie for attachment purposes.

All of them came to light in the wake of the sale of a single example for a pulsing £3,300 at Christie's last summer.

"They came out of the woodwork. People must have opened up their lofts," a spokesman said.

One condom, bearing an erotic illustration of a couple at play sold for £3,300 (estimate £800 to £1,200) thereby equaling last summer's record. The buyer was a collector bid-

ding surreptitiously in the room. At £410, the cheapest condom came plain, with no illustration.

According to experts at the auction house, contraceptive devices such as these have been part of the British erotic armoury and literature since the 18th century.

In Joseph Gay's poem, *The Peticoat*, of 1716, "The New Machine as a sure defense shall prove and guard the sex against the Harm of Love". James Boswell referred to "armour complete".

There were always the prudish who thought the use of condoms should not be allowed in a Christian country. Pragmatists said that, made of such fragile material, the condom was no guarantee against venereal disease because it ran the risk of splitting.



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# Honecker judge halts trial for health report

The trial of Erich Honecker is the most important legal event in Germany since the Nuremberg war crimes trials. But there are doubts whether he should be on trial at all

FROM ADAM LEBOR IN BERLIN

A SMILING Erich Honecker raised his right fist in the old communist salute and gave the V for victory sign at the start of his trial here yesterday. But his defence was short-lived.

Forty-five minutes after the former East German leader and four of his former associates appeared in court charged with responsibility for the deaths of 13 people who tried to escape across the then border between the two Germanies, the case was adjourned until next week.

The judge halted proceedings after hearing that Willi Stoph, the former prime minister, was unable to attend because he had suffered a heart attack. On Monday, a doctor will give the court an assessment of Herr Stoph's health. His defence lawyer said that doctors had decided that Herr Stoph, 78, would not be able to attend the trial in the near future.

Supporters cheered Herr Honecker, 80, who is suffering from terminal liver cancer, with cries of "Hello, Erich" and "Red Front", an old communist rallying cry from the 1930s, when as a young activist in the German Communist Party, he and a generation of fervent anti-Nazis risked their lives to fight against Hitler. Erich Mielke,



Stoph: suffered heart attack at 78

the former Stasi secret police chief, is among those facing charges over the deaths of East Germans killed by sharpshooters as they tried to escape to freedom. Hundreds of spectators had queued since dawn to get coveted seats in the gallery, and left-wing demonstrators shouted demands that the six accused should be freed immediately.

Heated debates erupted outside the court between those wanting the defendants freed and others calling for their imprisonment. The latter included former political prisoners from the former East Germany and the families of those killed trying to escape.

"Nobody asked us how old we were when we were sentenced by the East German government," Wolf Richter, 53, a former political prisoner, said. "Honecker should get at least 15 years."

The long-awaited trial is the most important legal event in Germany since the 1945 Nuremberg war crimes trials of Nazi leaders. It has opened a Pandora's box of questions about the legitimacy of the German Democratic Republic. Even some East Germans who revered their Marxist masters say it is hypocritical for Bonn to put Herr Honecker on trial, when a few years ago he was feted as a world statesman on his trip to the then West Germany. They also argued that it was Bonn's subsidies that propped up the tottering East German economy, which otherwise would have collapsed much earlier.

It has already taken two years to bring the ailing communist leaders to trial. Many believe that, as with former Nazis, it will be the biological solution — the death of the defendants through old age — that finally will close the controversy. There has already been protracted legal filibustering over both the legitimacy of the proceedings and the health of the defendants.

The prosecution accuses the six of formulating a shoot-to-kill policy for East German border guards that resulted in more than 200 deaths. But Herr Honecker says proceedings are a show trial aimed at discrediting the former East German state and that he cannot be tried for actions carried out under the laws of another sovereign state, which was a member of the United Nations.

Herr Honecker ruled East Germany from 1971 until a popular uprising in 1989 removed him from power and broke open the Wall. East and West Germany unified in 1990 in a merger that he said created a "Fourth Reich".

The reunited nation first brought charges against Herr Honecker in December 1990. Prosecutors were thwarted from arresting him by the Soviet military, which whisked him into an intensive-care unit in a clinic at one of their bases south of Berlin.

Herr Honecker again slipped through the clutches of the German authorities in March last year, when the Soviet army flew him to Moscow, ostensibly for heart treatment. Herr Honecker and his wife Margot exploited the chaos of the collapsing Soviet Union and then, later, in December last year, sought refuge in the Chilean embassy in Moscow. Germany finally extradited Herr Honecker from the embassy last July.



Defiance and grief: Erich Honecker waiting for the start of his trial over the killing of 13 people as they tried to escape from his Communist regime, and Karin Gueffroy, mother of the last East German to die attempting to cross to the West, attending the brief proceedings in Berlin

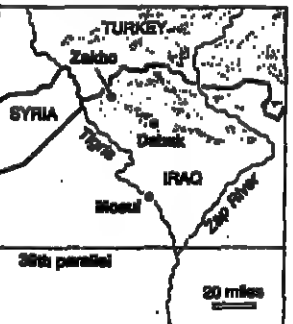
## EC will run blockade against Iraqi Kurds

FROM ANDREW FINKEL IN ANKARA

EUROPEAN Community officials have expressed confidence about breaching the blockade which the Kurdistan Workers' Party (PKK) is imposing on its fellow Kurds on the Iraqi side of the border with Turkey. The EC is expected to announce a contribution of about ten million euros (\$11 million) towards a United Nations emergency effort to see the Iraqi Kurds through the coming winter.

The problem remains shipping 33,000 tons of food through the southeast of Turkey where the separatist Kurdish group has banned lorry traffic. The PKK is angry at the support given by the Iraqi Kurds to Turkey in a campaign to destroy guerrilla bases along the Iraqi-Turkish border. The Kurds of northern Iraq already face an embargo imposed by Baghdad, and the UN World Food Programme now appears prepared to deal with the Iraqi Kurds directly.

Yesterday deputies of the People's Labour Party in Turkey, who are ethnic Kurds, announced a hunger strike over the unsolved murders of 350 people in the mainly Kurdish southeast. The Turkish parliament this week renewed the state of emergency in the southeast.



## Gatt chief fails to broker truce in world trade war

FROM TOM WALKER IN BRUSSELS

ATTEMPTS by Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade, to broker a ceasefire in the transatlantic trade war were short-lived yesterday. The Swiss diplomat left Brussels after just an hour of talks with Ray MacSharry and Frans Andriessen, the European Community commissioners.

After the meeting Mr Dunkel slipped out of the Commission car park unnoticed, and refused to answer questions when caught at Brussels airport by the international press pack. Mr MacSharry insisted that he was "very optimistic" about a more positive outcome from the next round of talks with the Americans, expected on Wednesday or Thursday in New York.

Mr Dunkel will fly to meet

Ed Madigan, the American agriculture secretary, on Monday, when Mr MacSharry will meet John Gummer, the British agriculture minister, and his EC counterparts in Brussels. Mr MacSharry's spokesman reiterated that the farm commissioner believes the American demands in the dispute over EC farm subsidies can be met easily within the limits of the new reform of the common agricultural policy (CAP).

The Americans want oilseed production in the EC reduced from 14 million tons to nine million tons. The spokesman said this year production will fall to 11.4 million tons, and that with the 15 per cent land set-aside benefits provided by the new CAP, the total should be 9.5 million tons by 1997.

Before any deal is struck with Washington, France

wants the Commission to prove that Mr MacSharry has got his sums right. Mr Delors is known to be sceptical about the claims of his agriculture commissioner.

In London Douglas Hurd, the foreign secretary, said last night that the world was "close to another crisis point" on the Gatt negotiations. He gave a warning that if the threatened American retaliatory measures came into force as scheduled on December 5, the progress made would be lost and the talks could not continue.

If there was a breakdown, he said in a speech to the pro-European Kangaroo Group, the danger was that business would not carry on as usual, but that there would be new barriers and tariffs.

Letters, page 19

## Opposition challenges Yeltsin for loyalty of the armed forces

FROM BRUCE CLARK IN MOSCOW

OPEN competition for the loyalty of Russia's armed forces and security apparatus has broken out between President Yeltsin and his hardline opponents, with each side accusing the other of preparing to suppress democracy.

Politicians close to the National Salvation Front (NSF), an anti-Yeltsin coalition that the president has tried unsuccessfully to ban, said they had detailed information about plans by presidential aides for a crackdown on the old-guard nationalist Officers' Union, whose head, Colonel Stanislav Terekhov, is also a co-founder of the NSF, accused the Yeltsin administration of pre-

paring to strip military and naval officers of their personal weapons and of building up its own elite forces.

It called on soldiers and sailors to play their part in a momentous political battle that would come to a head in the ten days leading up to December 1, when a session of the Congress of People's Deputies, the hardline supreme legislature, will begin.

The future of our great power will be decided not only at congresses, conferences, and cabinet meetings, not only in the factories and the fields, but in the soldiers' barracks and sailors' cabins," it declared. It said the days before the congress would see

a decisive battle between "two antagonistic social groups, two views of Russia's future: a great power and strong Eurasian state or a provider of commodities and recipient of waste for the West".

On Tuesday, three hardline parliamentarians protested over the fact that the leadership of the defence ministry, including Pavel Grachev, its chief, had specifically declared their loyalty to Mr Yeltsin in a recent public statement. They quoted from a section of Russia's law on defence which lays down that political control over the armed forces lies with parliament as well as the head of state. Gennadi Zyuganov, a leading communist, said yes-

terday that plans for imposing a state of emergency were already "lying on the desks" of Russia's security chiefs.

Similar warnings have been sounded by politicians closer to the political mainstream, including the Civic Union coalition whose de facto leadership includes Aleksandr Rutskoi, the vice-president. The Civic Union has called on the state prosecutor to take legal action against the pro-Yeltsin politicians who are advocating the imposition of emergency rule.

The Russian leader has been rallying support in the West for firm action against his hardline critics. But his liberal admirers both at home and abroad would find it hard to accept the idea of a state of emergency unless a date for a referendum on the constitution, presumably followed by fresh elections, was also fixed.

Mr Yeltsin cannot institute a referendum of his own accord, but the necessary one million signatures for a plebiscite on one vital constitutional change — allowing private ownership of land — have virtually been collected. The property issue is one on which the Russian president knows he is much closer to public opinion than the communist-dominated congress, which has repeatedly refused to lift restrictions on the sale and purchase of land. Hence it is one of the main political weapons at Mr Yeltsin's disposal as he prepares to confront the opposition.

Parliament delayed: Russia yesterday suspended a decision to withdraw troops from the southern rebel region of Chechnya. The government said armed Chechen units had moved into a disputed border region with neighbouring Ingushetia late on Wednesday after it had been agreed that Russian troops would be withdrawn. (Reuters)

## Bavarians accused of exploiting race issue

Bonn: President von Weizsäcker of Germany, plunged back into political controversy yesterday when he accused German political parties of exploiting the issue of asylum-seekers to their own advantage. (Anatoli Lieven writes). His words drew a sharp response from the right-wing Bavarian Christian Social Union, which has taken a hard line on the need to change the asylum law.

The Bavarian party was accused of deliberately insulting the president and of encouraging right-wing extremism when it refused to attend Sunday's anti-racist march.

In an article in the weekly, *Die Zeit*, President von Weizsäcker wrote that last Sunday's mass demonstration in Berlin against racist violence had been "a warning to politicians to take their responsibilities seriously". The German people were demanding that they should seek compromise and a constitutional solution to the problem, and "not change their standpoints out of fear of the violent".

## Plane crashes

Moscow: A military transport plane crashed after taking off from Tver, killing all 23 people on board. The Antonov-22 Antheus came down 100 miles northwest of Moscow in the third fatal accident involving Antonov planes in the past month. (AP)

## Rouble goes

Kiev: Ukraine is no longer to use the rouble as its currency. Only its own "coupons" will be an acceptable means of payment, according to a decree issued by President Kravchuk. The measure is a first step towards introducing a national currency. (AFP)

## Art expert dies

Rome: Giulio Carlo Argan, 83, an eminent international art historian and the first communist mayor of Rome, has died of a heart attack. Signor Argan earned international recognition for his writing on the modern and baroque styles. (Reuters)

## Cabinet request

Sofia: President Zheliv of Bulgaria asked Filip Dimitrov, who headed Sofia's first non-communist government until it lost a confidence motion last month, to form a new cabinet. He resigned after losing support over a strict austerity programme. (AFP)

## Teachers jailed

Paris: Four teachers in Abbeville were jailed for giving hashish to pupils and three students were found guilty of selling cannabis resin on school grounds. The staff at the secondary school were given six to 15-month sentences.

## Over-mothered

Amsterdam: A hippopotamus in Amsterdam zoo gave birth for the sixteenth time, even though keepers put her on the pill nine months ago because she kept squashing her offspring to death. The new arrival later died. (Reuters)

## Ceasefire brings a few rare smiles amid the rubble of Mostar streets

FROM RICHARD BRESTON IN MOSTAR

A group of scavenging crows settled on the carcass of a freshly killed donkey which was sprawled on the road like a macabre warning to anyone planning to enter this devastated town in Bosnia.

Anywhere else in Europe, the unfortunate animal would probably have been the victim of a reckless motorist, but on the exposed approaches to Mostar there is only one killer, the indiscriminating Serbian gunners concealed behind a mountain ridge a few miles away.

In the space of only six months of fighting between Serbian forces and an alliance of Muslim and Croat troops for the control of this medieval town, the elegant streets and gracious Ottoman architecture of Mostar have been reduced to the same kind of battle-scarred rubble as those Beirut neighbourhoods which suffered more than a decade of fighting.

All but one of the bridges linking the two halves of the city have been blown up and

washed away in the fast-flowing green waters of the river Neretva. The centuries-old mosques, which once dominated the skyline have been blasted beyond repair, their stone minarets snapped off by round after round of heavy artillery.

In spite of the devastation, about two-thirds of the town's original 130,000 inhabitants have survived the constant bombardments, the dangerous roads in and out of Mostar, and the growing deprivations of life under siege.

Yesterday, however, there was almost a mood of gaiety in Mostar as residents took advantage of the fragile ceasefire, the first in months, to wander the pock-marked and rubble-strewn streets in search of provisions.

One elderly man could be seen in a barber's shop, able finally to keep his appointment for a much delayed haircut. In the main butcher's shop, housewives queued patiently for the meagre supply of over-priced beef still available. Further

down the main street one enterprising man had opened a small flower stall containing a single bouquet of home-grown flowers. The display may not have looked like much to an outsider, but for Momir Kokorilo, 40, just being able to walk in the open and greet friends was a cause for celebration.

"We had four terrible days of shelling when we could not leave our homes but since midnight it has all been quiet," said the electronics engineer, who, unlike his fellow Serbs, has elected to remain in the town and live under the rule of Muslim and Croat authorities.

However, any hopes that the cessation of hostilities would last was soon dashed by the opening rounds of sniper fire which sent one nervous elderly woman scurrying back to the safety of her shelter, while Mostar's young defenders prepared for the next bout of fighting.

Sarajevo: Bosnia struggled yesterday to preserve a tenuous cease-fire amid reports of scattered fighting and counterattacks of who was to blame. President Cosic of the rump Yugoslavia, issued a veiled warning to the United Nations to curb alleged attacks by Croatian army units or face possible response from the Yugoslav federal army.

Sarajevo was largely quiet, and UN officials insisted the truce was holding at least "by local standards". Adnan Abdelrazek, a UN spokesman in Sarajevo, said: "Our point of view is that it's holding. It's holding everywhere. The radio said there's a lot of fighting going around, but we only know of a few light machinegun fires."

Only occasional bursts of small-arms fire could be heard in Sarajevo. But city residents, braving rain and snow, continued their normal routine of running through dangerous intersections, not counting on anyone's promise not to shoot. (AP)

## Scimitars picket the road to Vitez

FROM MICHAEL EVANS DEFENCE CORRESPONDENT IN VITEZ

AS THE first snow began to fall on the mountainous route to Vitez, the British cavalry started their ascent of the steep climb from Tomislavgrad to the base camp here. In strictly military terms, they are not the cavalry but, with the Scimitar vehicles riding along with tiny Union Jacks on top of their radio aerials, they looked like it. And like the cavalry, they have come just in time to save lives before winter closes in.

Even as they began the climb, the news was full of foreboding. The midnight ceasefire signed by all parties engaged in the fighting in Bosnia-Herzegovina had been broken in the town of Travnik, which is only five miles from Vitez. One report said that 500 shells had been fired on the town by the Serbs. Nearby Turbe was also shelled.

The sight of 16 Scimitar reconnaissance vehicles setting off up the mountain track made the local people stare in astonishment. An old couple pottering in their yard must have thought there was a war on.

The Scimitars, Royal Engineer armoured personnel carriers, Land-Rovers and other vehicles had gathered opposite



the cemetery that lies at the foot of the mountain between Tomislavgrad and Vitez. The Royal Engineers, who have been trying to improve the mountain track, have named the cemetery site Happy Easter because they have plans to form a tented base there.

A mountain camp halfway along the route, has been called Camp Redoubt. The first time the British armoured vehicles attempted the treacherous mountain route to Vitez was an unenviable experience.

I followed them to the foot of the track and then overtook to avoid what promised to be a massive traffic jam.

The track was blocked with lorries and European Community supply trucks. The rain, which had started overnight, changed to sleet and snow at the top. Sergeant Eddie Lloyd, from 35 Royal Engineers, who successfully negotiated with Croatian lorry drivers to keep the traffic going, summed it up. "We couldn't have chosen a worse

day," he said. The Warrior infantry fighting vehicles will not begin their climb until today. The first ones are scheduled to appear at the Vitez camp tomorrow.

The 16 Scimitars will stay on the mountain track acting as pickets for five days while the full force of 500 vehicles makes the trip to Vitez and to Gornji Vakuf, one of the forward bases for British troops, south of Vitez. While they are tied up on the mountain, the Warriors are expected to start reconnaissance trips north of Vitez to find the best routes to Tuzla, which is packed with refugees desperate for aid.

The last time a reconnaissance party ventured up towards Tuzla, they were fired on. British officers here hope that the presence of 30-ton Warriors in the area will help to provide a "calming effect". Britain has announced that it will send another 12 lorries and drivers to Bosnia. The trucks, ten trailers and 17 drivers, will carry £1 million of medical supplies in addition to the £2 million already given. Britain has provided 42 trucks and 57 drivers and support staff to help the United Nations deliver humanitarian relief into Sarajevo.

Old soldiers, page 17



# Farmer and revolutionary express Natal's violent dilemma

FOR a man frequently demonised by his opponents as the most uncompromising advocate of violence in South Africa's strife-torn Natal, Harry Gwala, chairman of the African National Congress in the province's Midlands region, presents a gentle enough appearance. Besides, nowadays he is calling for peace.

Martin "Mort" Mortassagne does not expect peace. He carries a Browning .38 Smith & Wesson automatic pistol on his hip. Over his shoulder is slung an FN semi-automatic rifle with a folding stock. In a pouch are extra magazines and two smoke grenades. A lone white farmer, Mr Mortassagne is caught in the middle of the burgeoning civil war in and around the lovely Richmond hills, a turf war between supporters of the ANC and the Inkatha Freedom Party.

Reggie Hadebe, whose funeral on Sunday brought the entire leadership of the

ANC to this town, was Mr Gwala's deputy and protégé. He was killed in a dramatic gunfight as he resigned from the conference. Mr Gwala, a family man with a wife and three children, is one of the world's most famous. In the 1950s he was a Trotskyist, now a Marxist-Leninist. He is a member of the ANC's executive committee. He is a member of the ANC's executive committee. He is a member of the ANC's executive committee.

Harry Gwala, an ANC leader in Natal, and Martin Mortassagne, a white farmer, want peace and are ready to kill for it, writes Michael Hamlyn.

generations. Family feuds spring up on the slightest pretext. In Geneshe, the settlement below his farm, the longest-running feud started over a leopard skin that went missing.

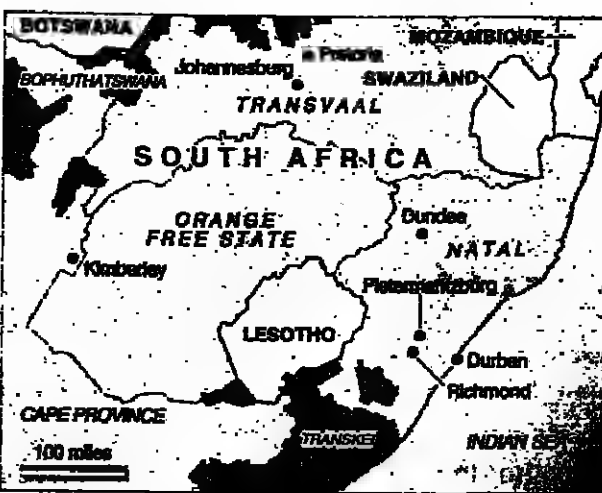
Two things went wrong for Mr Mortassagne. He fell foul of the ANC when, as a former policeman, he was invited to act as a security consultant to a timber firm that was losing 25 tons of timber a day. He was ambushed by a gang of armed men and, escaping, he killed one. The workers at the timber firm went on strike until the firm dispensed with his services.

The villagers, many of whom had lived in the valley for generations, had already been leaving in increasing numbers. The emigration has now become a flood. Mr Mortassagne fears that the remaining villagers are intending to pack up and go. When they do, the ANC supporters will move back in.

deploring them. "It is a nonsense," he insists. "Assuming we were to take revenge, where does that take us? That is a sign of frustration. The only revenge we can take is to put an end to apartheid itself."

□ Cape Town: A government enquiry called yesterday for the prosecution of police officers suspected of using brutality and intimidation to ensure that black leaders of a tribal homeland continued to retain their hold on power. B.J. Parsons, a former magistrate, claimed in a nine-volume report to President de Klerk that there was evidence of "serious, even extremely serious, offences" by police officers in the KwaNdebele homeland between 1986 and 1988.

The report was the second this week to expose widespread maladministration in the ten black homelands that once formed the cornerstone of apartheid. (Reuters)



Debate carried out 'under pressure'

## China accuses Britain of sabotaging transfer

FROM JONATHAN BLOOMBERG IN HONG KONG

CHINA accused Britain yesterday of sabotaging Hong Kong's smooth transition from British to Chinese control, and of deliberately undermining stability and prosperity in the colony. The criticism came after the local legislative council voted to support plans of Chris Patten, the governor, for constitutional reform which China has opposed.

An official of the New China News Agency, Peking's official mouthpiece in Hong Kong, said that the debate had been carried out under pressure.

## Peking holds 4,000 political prisoners

FROM CAIRO

THERE were 4,000 people convicted of "counter-revolutionary" crimes in China's prisons at the end of last year, police told a visiting Australian human rights delegation.

This is the first time that police have disclosed statistics for the numbers held on such charges. Western human rights organisations such as Amnesty International and Asia Watch believe that the figure is far higher. Estimates range up to a million political prisoners, including those in labour camps. The police figure has one flaw: it does not include those held without trial.

Chinese law allows the police to send people to labour camps without trial. Early next month, a British human rights delegation is expected to make its first trip to China, led by Lord Howe of Aberavon. China rejects what it terms "interference in its internal affairs."

China has given warnings that liberal leaders such as Martin Lee, chairman of the United Democrats Party, will be removed from the legislature when China takes over in 1997, while local pro-Chinese figures have threatened that any legislator supporting Mr Patten when the proposals are applied in legislative form next year may be removed.

In five weeks, the middle ground has virtually disappeared from Hong Kong's intensely contested politics. However, David Li, the Bank of East Asia chief executive, who represents bankers in the legislature, said the clash between China and Mr Patten was unlikely to hurt business confidence.

"Politics is one thing. The most important thing for us is the economy," Mr Li added as the Hong Kong stock market rose to record levels yesterday.



Dog's day: Lavender Patten, wife of the Hong Kong governor, hugging Soda, the family terrier, yesterday after it was found by joggers in a park. The dog ran off during a country walk with the family on Sunday.

NEWS IN BRIEF

## German tourists wounded in Egypt

Cairo: Five German tourists were injured yesterday when Islamic gunmen attacked their bus in Qena, Upper Egypt, as part of an intensifying campaign against the country's tourist industry (Christopher Walker writes).

In a rapid response to the attack showing the government's concern about threats to the \$2 billion a year industry, an air force helicopter flew the wounded Germans to a military hospital in Cairo.

The daylight attack came less than a month after a British tourist was killed and two others injured in a similar ambush in Upper Egypt.

Yesterday's attack, in which two Egyptians including the driver were also wounded, was the fourth since Muslim fanatics said in September that tourists would not be safe in Qena province. It was disclosed recently that the Egyptian government has spent \$4 million on four helicopters to pursue the militants.

## UN man killed

Marjayoun, Lebanon: Pro-Iranian Hezbollah guerrillas attacked UN peacekeepers in south Lebanon, killing one Nepalese soldier and wounding three others. They then attacked Israeli-backed militiamen of the South Lebanon Army. (Reuters)

## Dili protest

Sydney: More than 270 Timorese and their supporters blocked peak-hour traffic in Darwin, joining protesters around Australia on the first anniversary of the Dili massacre in Indonesia-ruled East Timor. (Reuters)

## Officer sacked

Tokyo: A Japanese army officer who called for a coup has been dishonourably discharged. Major Shinsaku Yanai had written in a magazine that the country needed either a coup or a revolution to sweep away corrupt politicians. (Reuters)

## Driver to hang

Amman: A former United Nations driver from Jordan has been sentenced to hang for killing Hamid Khawad, the regional head of Unesco. The Amman court rejected a plea of insanity by Subhi Youssef Khalil Sukar, a father of eight. (Reuters)

## Murdoch award

Los Angeles: The National Conference of Christians and Jews has presented Rupert Murdoch, chairman of the News Corporation, which owns The Times, with its humanitarian award. "It's an honour," Mr Murdoch said. (Reuters)

## Envoy expelled

Miami: Carlos Collazo, a Cuban diplomat at the UN who was expelled by American suspicion of spying, was caught discussing terrorist attacks against the island with a senior anti-communist Cuban exile, according to taped records.

## Ban limited

Tokyo: The Japan Newspaper Publishers and Editors Association said it would extend a news blackout on the search for a bride for Crown Prince Naruhito only until January 31. The move comes after a protest that the ban restricted freedom of speech. (AFP)

## Arab world uneasy over US policy

FROM CHRISTOPHER WALKER IN CAIRO

TWO leading Palestinians criticised yesterday statements made during the recent election campaign by Bill Clinton, President-elect of the United States, that Jerusalem must remain the permanent and unified capital of Israel, which captured the eastern half in 1967.

The attacks reflected growing unease in the Arab world about Mr Clinton's pro-Israeli sympathies. That disquiet has not been alleviated by personal telephone conversations he held this week with President Mubarak of Egypt and King Fahd of Saudi Arabia.

The stand of the Bush administration has always been that the status of the city, which is holy for all the three main monotheistic religions, must be determined by negotiations.

Yasser Arafat, chairman of the Palestine Liberation Organisation, said in Tunis that he was sceptical that Mr Clinton's victory would help the peace talks after he had echoed Israeli policy on the emotive question of Jerusalem, repeating the slogan of the Israelis, "Mr Arafat told Swedish radio.



Arab unease at Clinton's view of where Bill Clinton's Middle East sympathies lie

enhance his credibility in the Arab world," William Qandil, a Middle East expert and former aide to President Carter, said.

The pro-Islamic Cairo paper, al-Shaah, depicted in a cartoon a Gulf Arab leader declaring: "Having worked as a servant to Bush, I will assume the same job with Clinton, for my political principles are well known: 'Whoever gets married to my mother, I call him uncle'."

Ottawa: Israel is rejoining an international meeting on Middle East refugees after a dispute over the composition of the Palestinian delegation.

Israeli delegates had walked out of the conference on Wednesday after having accused Muhammad Hallaj, the Palestinian delegate, of being a member of the Palestine National Council, the Palestinian people's parliament-in-exile.

Israel has a long-standing policy of not negotiating with the council, which it believes is "directly related, controlled and monitored" by the PLO. Shlomo Ben Ami, head of the Israeli delegation, said. But Shimon Peres, the Israeli foreign minister, said that American and Canadian officials had confirmed that Mr Hallaj was not a member of the council. (AP)

## Clinton challenges Pentagon over ban on homosexuals

FROM MARTIN FLETCHER IN WASHINGTON

BILL Clinton, the president-elect, has put himself on course for an early confrontation with the Pentagon by affirming that he intends to lift the ban on homosexuals serving in the military which dates back to the second world war.

America's next commander-in-chief said: "We need everybody in America that has got a contribution to make, that's willing to obey the law and work hard and play by the rules. I don't think status alone, in the absence of some destructive behaviour, should disqualify people."

Mr Clinton's views conflict with those expressed by General Colin Powell, chairman of the joint chiefs of staff. They challenge one of the military's most entrenched traditions, and elicited some strong protests yesterday from officers already suspicious of Mr Clinton because of his Vietnam draft avoidance.

"It would be a wrenching change. We're not ready for it. Good people will leave the military in droves over this," one four-star general was quoted as saying.

Earlier this year General

Powell told a congressional committee that lifting the ban would be "prejudicial to good order and discipline". It would be "difficult in a military setting where there is no privacy, where you don't get a choice of where you live, to introduce a group of individuals who are proud, brave, loyal, good Americans but who favour a homosexual lifestyle."

The Pentagon has dismissed more than 17,000 homosexuals from a 1.8 million-strong military in the past decade. The ban has been challenged repeatedly in courts. Yesterday the Navy complied with a court order reinstating Keith Meinhold, a sailor who had declared his homosexuality, but it is to challenge that order on Monday.

Clinton aides are reportedly studying options ranging from simply halting further discharges to reinstating with back pay those already discharged, but the president-elect emphasised that he wanted to consult the defence chiefs on the implementation of the policy shift.

Jerry Falwell, the evang-

list, pledged this week to re-activate his right-wing Moral Majority organisation if Mr Clinton supported homosexual and abortion rights.

Mr Clinton was expected to announce more members of his transition team yesterday. On Wednesday night Vernon Jordan, the team chairman, met James Baker, President Bush's transition chief, in Washington and agreed "that this is going to be the best and the smoothest presidential transition in the history of this country". After a week of virtual seclusion in the Arkansas governor's mansion in Little Rock, Mr Clinton predicted that the pace of the transition would now pick up "at a fairly breathtaking pace."

He will issue tough ethical guidelines for his administration shortly. He will meet Democratic congressional leaders in Little Rock on Sunday and then make a three-day visit to Washington during which he will accept Mr Bush's invitation to view the White House and the family quarters. His first cabinet appointments are expected early next month.

هكذا من الأصل



Do the increased rights of minors to appeal to the courts undermine the authority of parents? Alice Thomson talks to children — and the legal experts

# When a child goes to law

## One tiny step for stepkind

Jessica Heathcoat Amory, 13, would be surprised if any of her friends at Francis Holland school in south west London took their parents to court. "My father made me watch a gardening programme last weekend and I think it would be good if he learnt to share the television, but no way would I go to court," she says. "By 11, children should decide which parent they want to live with after a divorce and should be able to go to parties as they get older but not nightclubs because they can be dangerous. But it all depends on the maturity of the child."

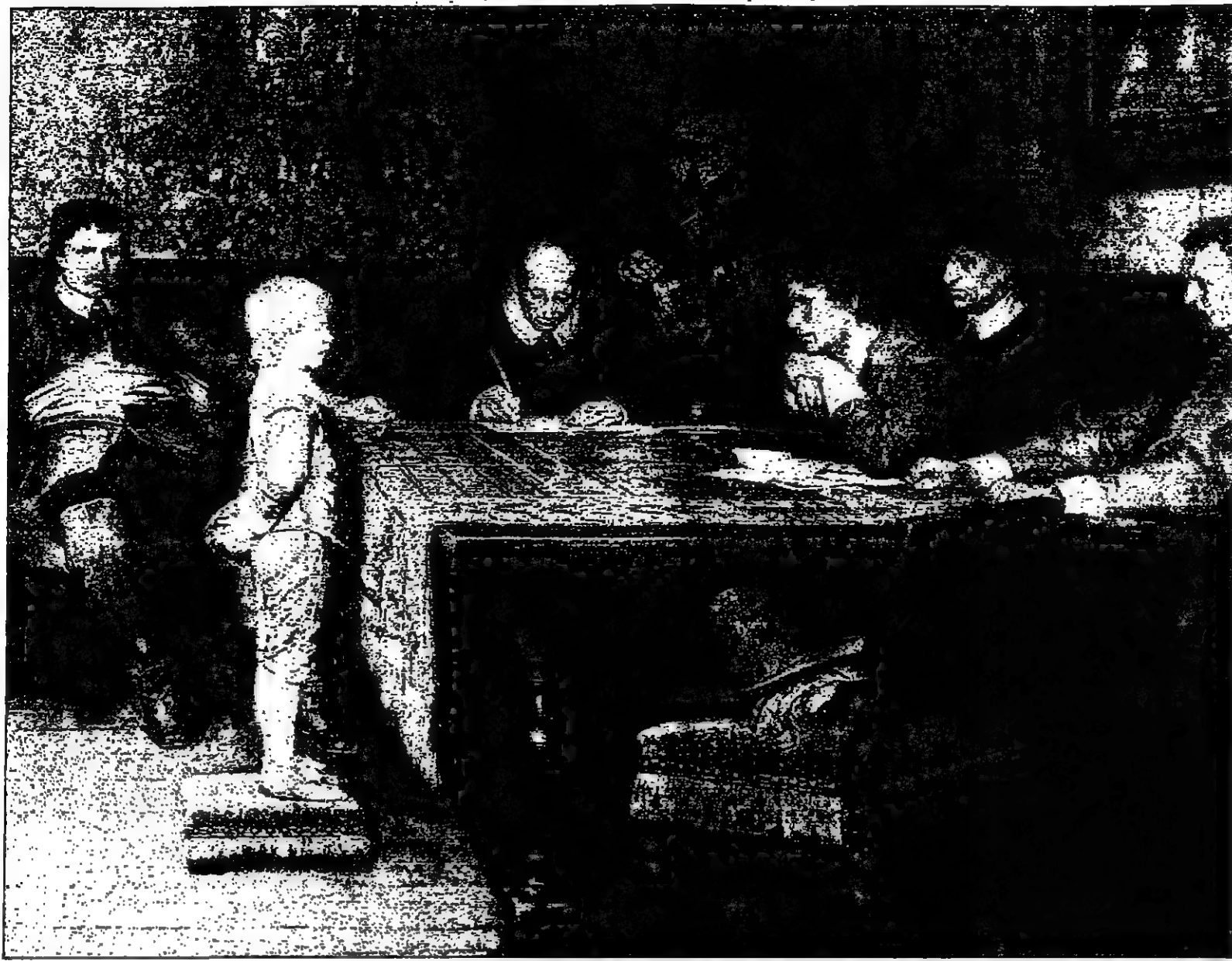
The Children Act, which came into force a year ago, also places emphasis on the maturity of a child. It enables children, with the leave of the court, to apply for orders on a range of issues affecting their lives. They can instruct solicitors and obtain legal aid but judges must be satisfied that they are of sufficient age and understanding.

This week an 11-year-old girl from Devon, described by her solicitor as "extremely grown up and able to understand the effects of what she is saying", has become the youngest child in Britain to win a residence order to live with her grandparents rather than her mother. And in the first case to reach the High Court, a 14-year-old girl is fighting to live with her boyfriend's family rather than her own.

The debate on children's rights is polarised. On one side are the liberationists who would allow children to do whatever they like from gorging on junk food to experimenting with drugs. On the other side are the traditionalists who believe that lack of parental discipline is at the root of society's ills.

Peter Newell, the co-ordinator of the End Physical Punishment for Children campaign (Epoch), sees himself as a moderate. "Parents have a duty to the welfare of their child. They do not own their child nor is it a plaything," he says. "If they exercise their responsibilities and listen to their children they will get back love and affection. The concept of children's rights only challenges parents who believe that their children have none."

Jane Simpson, the vice-



A child in the courtroom, but are the adults really on trial? Detail from the Civil War painting *And when did you last see your father?* by W.F. Yeames

chairman of the Solicitors' Family Law Association, believes we have to think seriously before taking away parental authority. But she agrees that it is a case of degree and wants more guidelines. "If the child just doesn't like their step-parent that is tough, but if the step-parent is abusing them or is a serious alcoholic that is different," she says.

"In the same way parents should have the ultimate say in which school a child goes to unless the child is being sent to a boarding school and is seriously traumatised by the idea. Taxpayers are not going to want to pay legal aid for

cases that should have been settled at home."

Does Mrs Simpson think solicitors will be able to cope with young clients? "I think many lawyers are concerned about the prospect of child clients. I've never had a child sitting opposite me in my office. Lawyers will need more training in how to interview children," she says.

The NSPCC is at the forefront of the campaign for children's rights. Christopher Cloke, the head of policy development, says: "If a child is constantly undermined, neglected, shouted at or criticised and is in danger of losing all

self-esteem it should go to the law. That includes well-off parents who are so career-orientated they never see their child."

But Mr Cloke believes that the law could be avoided if only parents learnt to "listen" to their children's verbal and non-verbal communications. "From the word go parents should take their children's views on foods, holidays, recreation and illness seriously otherwise children become disenchanted and cynical and stop acting responsibly."

A recent study by the NSPCC shows that 90 per cent of children feel adults do

not listen to them enough. John Glyn, 11, a pupil at Fairley House School in west London, backs this up. "Adults should listen a lot more to children as young as seven. We are not stupid as long as things are explained to us. I wouldn't ask my parents to go to Disneyland because we can't afford it but I should be allowed to decide what clothes I wear and what I eat. I am a very fussy eater. If parents are really bad then children should go to court just like adults but we need special courts with a more friendly atmosphere otherwise we will be intimidated."

rights above their cultures. "Just as we now say that female castration is wrong maybe we should say that forcing young women into marriage is wrong," she says. Despite his assertion that "children must have a large say in all matters that affect their lives", Mr Cloke does not believe that this extends to sexual rights. "It is not in the child's interests to form sexual relationships before 16 and it is the child's interests that are always paramount," he says. Ms Howarth, too, is determined to protect children from discovering their sexuality too young. "Children under 16 may be physically mature enough but they haven't got the emotional maturity. Adults have the responsibility of protecting children from early sex."

Stephen Green, the chairman of the Conservative Families Campaign, believes that "the anti-smacking maniacs and the children's rights activists are trying to subvert the authority that ordinary parents have over their children. 'Good parents shouldn't worry.' When you look at the 'divorce' cases in court at the moment the circumstances are very unusual."

Mr Green identifies with the 11-year-old Leeds girl who wants to live with her former foster parents because she is having to act as a little mother. He says: "If we give children responsibility for their own lives too soon we risk dragging them into the adult world. We must let children be children."

A new guide from the National Stepfamily Association, *Parenting Threads — Caring for Children When Couples Part*, seems to care more about the parenting couples.

"Little is known", claim its authors, "about what it feels like for children when a parent's friend becomes lover and then step-parent." If only they'd ask them. As a (now adult) survivor of several of my parents' relationships, I know what an abdication this statement represents. If war correspondents want to know how prisoners feel, they tend to try to interview the prisoners. Assertions by the captives — that their prisoners are doing fine, thank you, but can't take any calls right now — are regarded with suspicion. The views of just about every minority — blacks, homosexuals, the disabled — are expressed by themselves. But when it comes to young people, God help us, we ask the parents. And in the cases of about three million of them, that means step-parents too.

Actually the needs of young people in stepfamilies are in many ways so obvious it's only the lack of a vocal lobby which has kept them "unknown" for so long. By far the biggest complaint when stepchildren get together is that they no longer see the remarried parent on their own.

What happens is that because dad is in love with his new woman, he can't bear to spend a moment out of her sight. Never mind that he's seen her all week and this is the children's one day with him. Never mind that Paul and Sharon are athletic, outdoorsy types keen on canoeing, computer games and rap music, while Melissa, the new woman, an art therapist, wants to spend this sunny Saturday afternoon at an exhibition of ancient Mexican death images. If this is quality time, I'm Enid Blyton.

But how do you integrate the lovely Melissa, you wonder. I'll tell you slowly. You can bring her in by sleigh or goadole if you like, but just give the offspring time with you alone. And while we're on the nitty-gritty, don't climb all over her in the Volvo when they are out getting the Big Macs, then keep calling her "daddy's friend". They read

the tabloids, they're not stupid and believe me, they'll know.

And when Melissa moves in, ensure that the children have a space in your home which is theirs. Imagine how it feels to come in and find your stuff in a box because "you're not always here". My friend Kim found her much-praised bowl from carpentry class had moved mysteriously from the mantelpiece into a cupboard shortly after the remarriage. When Melissa's own kids come round, preserve all the children's privacy, and don't assume that all five, 11 or 14-year-olds have loads in common. How would you like to spend the weekend with the man sitting beside you on the train just because he also happens to be 45?

Even if this may be a war zone, don't treat it like a siege. Keep the lines to the outside world open. Just because you don't see your in-laws, why shouldn't the children? Grandparents, friends' families and neighbours all help show that the universe hasn't been devastated by the implosion of your marriage.

Finally, I have a message for Melissa. You might be merely dating Paul and Sharon's father right now, but since the time may come when you share a bathroom, a fridge and a stereo with them, please keep in mind the following. They may be younger than you, but they are people. And if they are very small people, they may come to your bedroom at night. This does not mean they are bent on ruining your sex life; incredible as it may seem, they may be scared of the dark, or lonely, or homesick for their mother. Cast your mind back to when you did the same, and do as you would be done by.

Most of all, be real. They'll resent a patronising show of interest — who doesn't? — and appreciate any genuine curiosity you can summon up. Teenagers particularly hate the middle-class affliction of eagerness. Be cool, be casual. Listen, and learn.

*Parenting Threads: 64 from the National Stepfamily Association, 72 Willetts Lane, London NW6 7TA. Helpline: 071-372 0846.*

STEPHANIE CALMAN

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No. 0010402 of 1992

IN THE HIGH COURT OF JUSTICE

Chancery Division

In the Matter of Norwich Union Asset Management Limited

and

In the Matter of The Norwich Union Life Insurance Society

and

In the Matter of the Insurance Companies Act 1982

NOTICE IS HEREBY GIVEN that a Petition was on the 19th October 1992 presented to Her Majesty's High Court of Justice by the above-named Norwich Union Asset Management Limited (hereinafter called "NUAM") for:

1. the sanction under Section 49 of the Insurance Companies Act 1982 to a Scheme providing for the transfer to the above-named The Norwich Union Life Insurance Society (hereinafter called "NULIS") of the whole of the long-term insurance business carried on by NUAM; and
2. an Order making ancillary provisions in connection with the said transfer under Section 50 of the said Act.

Copies of the Petition, the Scheme, reports by the appointed actuaries of NUAM and NULIS and a report by an independent actuary in pursuance of the said Section 49 may be inspected at the registered office of NUAM and NULIS and at each of the offices of NULIS specified in the Schedule to the Order made herein on 29 October 1992 during usual business hours for a period of 21 days from the publication of this notice. Any person wishing to know the location of such offices may telephone 0603 685770 quoting reference CLM.

The Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the ninth day of December 1992 and any person, including any employee or creditor of the said companies, who claims to be adversely affected by the Scheme may appear at the time of hearing in person or by Counsel. Any person who intends so to appear, and any policy holder of the said companies who dissents from the Scheme but does not intend so to appear, should give not less than two clear days prior notice in writing of such intention or dissent and the reasons therefor, to the Solicitors named below.

Copies of the documents specified above will be furnished by such Solicitors to any person requiring them prior to the making of an order sanctioning the Scheme on payment of the prescribed charge therefor.

DATED this 13th day of November 1992

Boodle Hatfield  
43 Brook Street, London W1Y 2BL  
Ref JLS/DWS

Solicitors for NUAM and NULIS



NORWICH UNION

## Fighting on the vinyl frontier

Somewhere, in an attic filled with back numbers of *National Geographic*, sits the ultimate record enthusiast. Through the hisses, pops and crackles he is listening to a 1923 King Oliver recording, played on a shellac disc at 78rpm on a wind-up gramophone.

Like real-estate enthusiasts and those for whom no oil-leak is too much trouble so long as it comes from a British motorbike, fanatics of recorded sound tend to be unreasonably attached to out-of-date technology. But before we laugh, we should listen to Jack Dinsdale, an engineer and professor of mechatronics at the University of Dundee.

Tonight Professor Dinsdale is giving the Friday evening discourse at the Royal Institution, in the lecture theatre made famous by Michael Faraday. His thesis, baldly put, is that we have all been had: compact discs, greeted at their introduction ten years ago as "perfect sound forever", often produce results distinctly less good than the best vinyl LPs.

This week yet another recording format, digital compact cassettes (DCC), was launched on a market already suffering from an overdose of initials. DCC is an effort by the Dutch electronics giant Philips to regain the initiative from the Japanese, who have given us CDs, the Walkman, the Discman and, soon, the Sony MiniDisc. Is it really an improvement, or merely a change?

Professor Dinsdale is no technological backwoodsman. The fact that he has himself designed amplifiers, loudspeakers and record decks may have a bearing on his opinions, but tonight he will allow the audience to decide for itself by playing music recorded at the same session on both CDs and LPs, switching between the two and inviting reactions. People may be surprised by which they prefer, he says.

### Digital recordings are suddenly not the best

When he has conducted similar "shoot-outs" in the past, he finds that about 90 to 95 per cent favour vinyl. "The reaction is always, why on earth did I throw out all my LPs," he says. Once he tried the test on a team of engineers from Philips to their surprise, they all chose vinyl.

For most people whose idea of hi-fi was a low-cost music centre or an ancient Danasette, CDs were a huge improvement. But for the true connoisseur, they could disappoint. "Most have not lived up to expectations," says Brian Morris of Linn Products, a firm which manufactures hi-tech sound systems.

What, exactly, is wrong? Professor Dinsdale says that CDs do have a much wider dynamic range, over 20 times better than vinyl, but that this is a mixed blessing. If the volume knob is set to hear the quietest notes, the loudest ones blow you out of the house; turn it down, though, and you cannot hear the quiet passages at all.

Nor is it true that the sound from a CD is undistorted. The distortion is certainly small, but it is at its worst in the quiet passages, while an LP distorts most when the music is loud and the ears cannot perceive it. LPs are also capable of playing higher notes than CDs, which cut off at 22 kHz. As this is above the audible threshold it might not appear not to matter, but the ear can detect differences even between two notes too high to hear — so something is being lost.

Finally, there is the background noise, or lack of it. "To marry it is simply unnatural," Professor Dinsdale quotes with approval the violinist Isaac Stern:

"With CD, the silences sound wrong."

For all that, the vinyl enthusiasts are probably flogging a dead horse. The record companies have shifted heavily into CDs and big stores no longer stock vinyl. While many complain that CDs are too expensive, they cost little in comparison with the dither needed to make the most of LPs. Professor Dinsdale reckons you would need to spend £7,000, with £2,000-£3,000 on the player itself, for a really good system.

What of the new DCC format? Like CDs it is digital, but unlike CDs it will not make existing cassettes obsolete, as they can also be played on the new machines. In quality terms it should be as good as CDs, Mr Morris says, and in addition it will have the ability to record.

Next in line is the Sony MiniDisc, to be released next week. Mr Morris is impressed with the look of the product but does not expect it to compete directly with DCC: it sits more at the Walkman market. "Ninety-nine per cent of people will think it's great," says Professor Dinsdale.

However, for the true hi-fi buff only a change in the specification of CDs would bring them up to the best vinyl standards. Such a change is possible, using a longer digital "word" — 24 bits instead of 16 — and a faster sampling frequency, 96 kHz instead of 44.1. Given this change, Professor Dinsdale says, CDs could really be as good as the best LPs. Unfortunately such machines, if they come, will not be compatible with existing ones. "They could be, but of course they won't," he says. "That's the way the industry works."

NIGEL HAWKES

MiniDiscs, page 43



# Genius or jester? The man who makes kings



The enemy's camp: Mary Matalin with George and Barbara Bush

James Carville, the principal architect of the Democratic campaign, will be remembered as the man who won the White House for Bill Clinton. He was not the most brilliant of the Arkansas governor's close advisors, but he was by far the most powerful, and the strangest.

Mr Carville is ruthless and aggressive, an intuitive strategist, tough as bling and meaner than a junkyard dog. When the Republicans charged Mr Clinton, the president-elect, with waffling, it was Mr Carville who told him to drop the detail and stick to broad issues: when the Gennifer Flowers scandal bloomed, it was Mr Carville who persuaded Mr Clinton and his wife Hillary to appear on television to talk about their marriage, and again it was Mr Carville who perfected the Democrats' technique of "instant response" which did so much to blunt Republican attacks.

At every crucial juncture in the Democrat's campaign, Mr Carville was there, slinging it to the Republicans with the tenacity of a street-fighter. His was the sign in the "War Room" in Little Rock, Arkansas, to remind campaign staff of the bottom line: "The Economy. Stupid" — a strategy that eventually won the election.

None of this has altered the view, prevalent among both his friends and enemies and astutely promoted by the man himself, that Mr Carville is slightly mad.

Tall, balding and exploding with nervous energy, the 48-year-old political consultant looks and be-

haves like a malignant John Malkovich on speed. At moments of stress he tends to leap on chairs or other pieces of furniture and hurl obscenities. Part evil genius (Rasputin is his nickname in Republican circles), part court jester, his talent for publicising others is hardly less pronounced than his ability to promote himself, and his superstitious foibles are the stuff of legend: in the course of an earlier political

Perhaps most  
bizarrely of  
all, he is  
sleeping with  
the enemy

race he wore the same pair of underpants for two weeks (washing them, he says, at night) in order to maintain the right karma.

The son of a postmaster from Carville, Louisiana (a town named after his grandfather, another postmaster), the man who masterminded the Clinton campaign scarcely conforms to the image of the "yuppie" spin-doctor so beloved of Ross Perot-style rhetoric. His wardrobe consists of jeans and a T-shirt, his speech is peppered with blasphemies and expletives and, perhaps most bizarrely of all, he is sleeping with the enemy.

Mr Carville's love affair with

Tough, mean and, some say, slightly mad, a postmaster's son from Louisiana has propelled Bill Clinton all the way to the White House.  
**Ben Macintyre reports**

Mary Matalin, the Republican national committee chief of staff and herself a steady political operator, was one of the few touching episodes in the presidential campaign. When the American tabloids, and even a few Republican notables, began speculating about pillow-talk between the two, Mr Carville and Ms Matalin said they were putting their relationship on hold; neither, in admirable Montague and Capulet style, did so.

"I like her much more than I like her politics," says Mr Carville — this from the man who boosted his cohorts into the final campaign stretch with the words: "Some of you think Republicans are just like us, that they just have a different philosophy. They are not. They are seasoned. They are ruthless. They are rotten."

"It's a complicated relationship," Ms Matalin said recently, "the object of which is not to see each other, not to talk, and to spend our days destroying each other's work." The couple are now believed to be on holiday in Europe — given their similarly combative personalities and diametrically opposed views, their post-election conversation would be worth hearing, from a distance.

But Mr Carville seems to work best with those of a different cut. While politically compatible, he and Mr Clinton could hardly be more different: the former seldom utters an incoherent word, loses his temper or shouts. The latter does all of the above as a matter of routine. But there is a genuine bond of

affection between the president-elect and his campaign adviser, perhaps because they have one thing in common above all: both have triumphed out of nowhere.

Mr Carville, by his own admission, spent most of his time at Louisiana State University getting either drunk, into fights or into bed with a variety of freshwomen. "I made John Bush look like a scholar," he says. When the authorities asked him to leave, he joined the Marines for two years. He finally finished his law degree, and for a few years practised law, extremely badly by all accounts, before drifting into the business of political consultancy, initially without much

success. His big break came in 1986, when he helped the Democrat Bob Casey win the governorship of Pennsylvania. It was, Mr Carville says, the "best night I've spent on the planet". It was also, according to his detractors, one of the few he has spent here.

Mr Carville brought something of the favour of the Marines to the Clinton campaign headquarters, bellowing at subordinates: "Run! Don't walk!" and storming around the War Room. "I'm irritated," he would mutter ominously, a signal for the more nervous aides to hide in the lavatory.

The man inevitably nicknamed "The Ragin' Cajun" has made

much out of his own eccentricities. "The idea that I'm a half-quart low has always worked to my advantage," he told *The New York Times*. "It has always kept the opposition just a little bit off guard, so I've never done much to contradict it."

Whatever his exhibitionism, Mr Carville has a gut instinct for defining issues or smelling an opponent's weakness and exploiting it much of his political consultation is spent walking up and down the aisles of super-markets talking to ordinary people.

Mr Carville claims to have no political ambitions of his own, and he has already agreed to run a re-election campaign for Jim Florio,

governor of New Jersey, next year. Asked whether he would ever run for office, he points, without shame, to his own private Flowers-factor. "Who, boy," he told one surprised journalist. "You think Gary Hart had a problem?"

Mr Carville is a king-maker, but is hardly the stuff of kings or, for that matter, courtiers. Asked if he would care to play a part in the Clinton presidency he echoes Groucho Marx: "I wouldn't belong to any government that would have me in it."

Mr Clinton has many things to be grateful to Mr Carville for, and that assurance is not the least of them.



Master strategist: James Carville outwitted the Republicans at every juncture as Bill Clinton challenged for the presidency

## Veterans rally in support

Operation Septuagenarian travels tomorrow from Preston to the town of Mostar to help war-weary Bosnians

Tomorrow, Hamish McPhail, grandparent, old soldier, lousy Serbo-Croat speaker, sets out on a journey his wife would rather he did not make. He is driving from his home near Preston to embattled Bosnia in a 7½-ton truck packed with medical supplies and clothes.

His is the ninth such expedition sponsored by the British Southern Slav Society (BSSS), and it comes exactly a year after the first BSSS truck took an operating theatre to Korčula, near Dubrovnik.

That first truckload was delivered by Sir Fitzroy Maclean (who led British war-time support to the Partisans), his wife, Lady Maclean, and Maj-Gen. Bob Loudoun, who fought as a marine commander in wartime Yugoslavia.

Not all the subsequent volunteer drivers have had as many stripes but what they have all shared is a powerful affection for the people of the region. For many of them, the

most intense and unforgettable experiences of their own lives happened during the war in what was Yugoslavia. These BSSS volunteers have something else in common: decades. September's truckload to Slavonki Brod was piloted by Maj-Gen. Loudoun, 70, Dr Margaret King, 71, and her husband Hilary, 73.

Daily shelling of Slavonki Brod forced them to approach the hospital under cover of darkness, and after a night sheltering in the cellar with 300 patients, a nurse woke them before dawn with coffee. Margaret King says: "She said, 'You're a bit old for all this, aren't you?' We stopped calling ourselves 'Operation Slavonki Brod' and rechristened ourselves 'Operation Septuagenarian'."

This time, the destination is a hospital in the Bosnian town of Mostar, a traditionally Muslim enclave in the mountains now occupied by Croatia. It is familiar territory to Mr



Gunner Hamish McPhail served in Yugoslavia in 1944

McPhail. In 1944, he was a 19-year-old gunner in the Raising Support Regiment, providing artillery support for the Partisans and the Commandos. The experience left him deeply impressed by "the unbelievable courage of those men and women, boys and girls". He remembers having to prevent 12-year-olds who wanted to join the fighting

from climbing into his landing craft.

Mr McPhail's co-driver is Brian Corkill, aged 54, a retired teacher and magistrate in Liverpool.

Mr Corkill knows the road through Zagreb to Split very well. After that, he says, "the British forces stationed in Split will decide whether it is safe enough to go on". In Split they pick up the Croatian Jesuit priest who is to be their guide and interpreter.

So far, no BSSS volunteers have been hurt, although Operation Septuagenarian had a confrontation with militia after photographing a burnt-out church in Croatia.

Preparations for the expedition have taken months. "We've pestered hospitals and chemists for unwanted drugs," Mr Corkill says. "I've managed to borrow the truck and we have been offered half-price ferry fares."

So far, the BSSS aid programme has delivered more than 1500,000 worth of supplies, and is appealing for a further £1 million.

"I have no doubt," Mr McPhail says, "that warm clothing and medicine can make the difference between life and death."

BRIGID MCCONVILLE



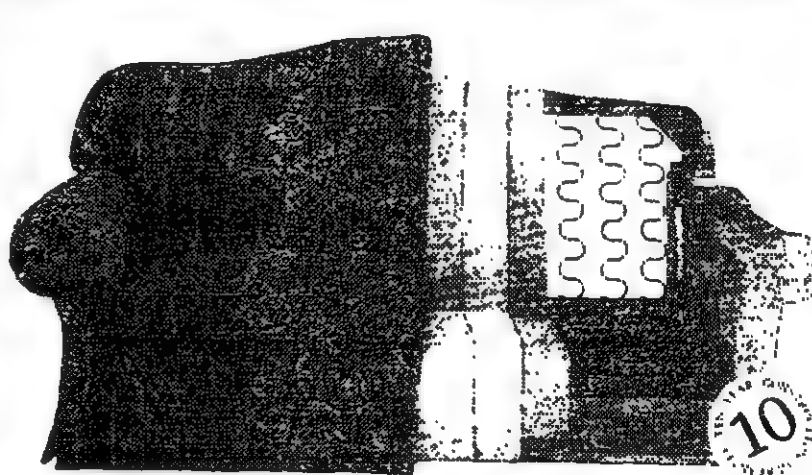
Never too old: Mr McPhail, left, with Brian Corkill, his co-driver on the aid mission

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مكتبة الأمل



Peter Riddell on a politically astute Autumn Statement for which, nonetheless, the nation will have to pay a high price

Norman Lamont achieved his first objective yesterday. After seven weeks of government fumbles and retreats, Tory MPs at last had something to cheer. Thanks to a mixture of skilful presentation, stealing some of Labour's clothes, ditching a little Treasury orthodoxy and a tight squeeze on the public sector, the Chancellor gave his own troops what they wanted to hear. He showed that he had listened to their worries and was prepared to take action to assist industrial revival.

That was the straightforward part. The real test will come now outside Westminster: whether Mr Lamont's words and measures will be sufficient to boost the confidence of consumers, house buyers and businesses. Interest rates are to come down again, to their lowest since 1978, and the motor industry was last night celebrating the final abolition of the car tax. Economic recovery is, however, likely to be slow at best. Unemployment will continue to rise for some time.

So while the government still

rejects giving a kick start to the economy, it is now prepared to provide a firm nudge. The new growth strategy launched three weeks ago by the prime minister may fall short of full-hearted Keynesianism — and one Tory MP's comparison of the Chancellor with Franklin Roosevelt's New Deal was laughably far-fetched. But the new approach is a long way from the 1980s' hands-off approach of Lords Howe and Lawson.

The government is no longer just talking about holding down inflation. It is prepared to embrace a limited form of interventionism. Some of the Lawson tax reforms of the mid-1980s aimed at tax neutrality and reducing company tax allowances are to be temporarily reversed to encourage investment; an extra £750 million is to be

provided this year to buy up empty housing; and export guarantee cover is to be expanded following earlier cuts. Retired Treasury mandarins were no doubt tut-tutting about the relaxation of rules on private sector involvement in infrastructure projects, but few others were. If some of these ideas, like the leasing of rolling stock by British Rail, sound familiar, they are. They were in Labour's election manifesto. But for industry and Tory MPs, all this is probably better late than never.

On the political side, the cabinet has held together during a testing time. The new procedures for reaching spending decisions by involving the whole cabinet seem to have worked, not least in ensuring no open splits. So senior ministers last night felt they had a chance of regaining the initiative, even

though at present all they have won is a propaganda victory.

The fine print of the accompanying documents shows there is rather more pain and more questions left unresolved than Mr Lamont's statement suggested. The squeeze on spending will be very tight. The new control total, which excludes the direct impact of a recession on the social security budget, will next year be just 2.3 per cent higher in real terms than this year. Over the next three years as a whole real growth of 1.4 per cent on average will be less than half the rate of increase of the past three years.

Apart from defence, most departments can claim to have safeguarded their core programmes while social security benefits have been inflation-proofed. Health and education remain priorities, though

with slower real growth than in recent years. John Patten, the education secretary, has, for instance, won the money for a 25 per cent increase in places in further education colleges.

A price will, however, have to be paid. The preservation of many plans is only because of the limit of public sector pay settlements to a maximum of 1.5 per cent. That will be difficult to make stick. Public sector unions and groups such as nurses, doctors and teachers can be expected to challenge the limit. Despite giving up their own pay rise, ministers will have to show more discipline under fire than they have over the past two months.

Moreover, the figures apply a tight squeeze for local government and there could be plenty of squalls to come over the levels of the new

council tax, replacing the poll tax from next April. That looks like being the most serious parliamentary difficulty on the spending side. Otherwise, the government looks for once to have united almost all its own MPs and should see its plans fully endorsed in next week's Commons debate.

Tory MPs' smiles may fade somewhat when they consider the long-term outlook. The Treasury documents confirm the serious deterioration in public finances since the late 1980s. This is not just because of the recession but also reflects decisions to increase spending ahead of the election. So the underlying or structural deficit has risen sharply.

Public sector borrowing this year will be £9 billion higher than forecast in the March Budget and at more than 6 per cent of national

income it is heading up to the levels of the mid-1970s. Even after several years of expected growth, public spending is still likely to be more than 44 per cent of national income by 1995-6, compared with less than 40 per cent at the end of the 1980s.

So the Chancellor is likely to have to be tough on taxes for at least the next year or two if the underlying deficit is to be contained. Taxes may even rise next spring in the Budget. While the government will no doubt seek to cut income tax before the next election, the overall tax burden will almost certainly be no lower than now. There are also questions about monetary policy and the implementation of the new inflation target.

The message of yesterday's measures, and the Treasury's forecasts, is that after the binge of the late 1980s, we face an austere 1990s. But Mr Lamont yesterday succeeded in raising the morale of his own party. He has survived to fight another day, and possibly even to deliver next spring's Budget.

## Power, unity and the synod vote

The church should beware of moving too fast, warns Edward Norman

The validation of the priestly vocation of women by the Church of England's general synod on Wednesday has been greeted with relief by the majority for whom it is a long overdue recognition of a legitimate and important dimension of the Christian mission in the world today.

There have been, also, expressions of regret for the sorrow experienced by traditionalists, and an acceptance that the divisions within the church will persist. It is possible, however, that the extent of the problems has not been fully appreciated by supporters of women's ordination. The outrage felt by many opponents goes very deep. Even more significant is the insubstantial nature of the majority support for the change.

For the church to adapt successfully to the new arrangements, the atmosphere must be one of confidence and enthusiasm. Those are not words that come readily to mind when looking at a large section of the supporters of women's ordination. Then there are the clergy who are worried about their prospects if they back the losing side. There are doubtless many who favour change because they do not want to be thought old-fashioned. The public's attitude has been one of amused tolerance; contemporary social values, rather than theological principles, have determined general views about those that *The Sun*, on its front page, hailed as "vicars in knickers".

The enthusiasts for the change do not seem to realise that they lack a solid base from which to create the atmosphere of acceptance so necessary for it to work. The change, in fact, has been made before a consensus exists. That may have been necessary in view of the complication of the issue, but it does mean that the church will be proceeding from a narrower base than may be entirely safe.

Opponents will be tempted to make a last stand in Parliament. Why have an Established Church if the legislature cannot exercise its constitutional right to overturn ecclesiastical legislation which, in the eyes of some, may lack a broader authority? It is a temptation to be resisted. When Parliament rejected the 1928 Prayer Book, proposed to it by the church, it was the last occasion on which a veto of that sort

was regarded as constitutionally appropriate. The more recent rejection of the measure to allow the ordination of divorced persons was quickly reversed.

Parliament is a last resort safeguard: its veto should be exercised only when it is clear that the church is acting either unconstitutionally or at the behest of an unrepresentative section. The majority in the synod indicates that such conditions do not exist at present.

The greatest problem revealed by the vote, however, lies beyond these shores. It concerns the spiritual authority of the Church of England itself, and it was, within minutes of the synod's vote, picked up by Rome. What properly offends the

Vatican is not the idea of women priests as such — although clearly the Catholic church is unlikely, in the foreseeable future, to follow the Anglicans — but what the synod's vote reveals about the ecumenical relationship of the Church of England to the Church. Another obstacle now exists to the acceptance of Anglican holy orders.

For the Anglicans the whole issue of authority is fraught with problems. What is the Anglican Doctrine of the Church itself, and does it allow the Church of England to decide issues such as the ordination of women on its own authority?

The historic Doctrine of the Church is clear. Christ delivered his authority to a people — the Church; they interpret and adapt his message as necessary over the centuries. The Church of England claims to be a part, a branch, of the Church. But the Church is those who operate together in unity. In the perspective of history those who persistently act on their own are recognized as being in schism.

The body of Christ's people operates by consensus, so that none are too far ahead, and none left too far behind. It was this test of the Church's authority which made many doubt the wisdom of the Church of England acting without reference to the Catholic and Orthodox traditions. Now that the decision has been made, the moment is at hand to recognize that a problem still exists about the means by which it has been done.

Dr Norman is Chaplain of Christ Church College, Canterbury

### Many doubt the wisdom of the church acting without reference to the Catholic and Orthodox traditions

genae. "When he came to this diocese, Bishop Peter realised that Gloucester was in favour of the ordination of women. Although he is strongly against, he felt he should respect the feelings of the diocese."

The two will almost certainly see the funny side, being renowned in Anglican circles for their sense of humour. Peter has never been forgotten for his first sermon in Gloucester 30 years ago. Addressing several hundred children, he was halfway through his sermon when he suddenly vanished into the depths of the pulpit, only to appear seconds later in the organ



## Twin piques in purple

TWINS will be twins. As the General Synod vote divided the Anglican church it became clear yesterday that for the first time in their ecclesiastical careers, the Church of England's only identical twins in the episcopate had fallen out.

While the Rt Rev Michael Ball, Bishop of Truro, voted against the admission of women into the priesthood, his twin Peter Ball, Bishop of Gloucester, abstained. The duo, who were pictured in *The Times* yesterday, have seldom differed on anything. They were both educated at Lancing and Queen's College, Cambridge. They both taught science at grammar schools in Stroud, where together in 1960 they founded the Community of the Glorious Ascension, an Anglican religious order, after both arriving "independently" at the same idea.

Friends were astonished that the brothers should vote differently this week. "They know what each other is thinking almost before the other has thought of it," says one who knows both men. "They are the best double act anywhere."

Canon Andy Radford has an explanation for the unique diver-

# Two cheers for the Chancellor

"X is for mystery," Malcolm X once said. "The mystery confronting the Negro as to who he was before the white man made him a slave and put a European label on him."

Twenty-seven years after Malcolm X was gunned down in a New York ballroom, that longing for identity that he knew and proclaimed with such vivid wrath, remains as elusive as ever and Malcolm X is being labelled again. Of all the confusions and contradictions in the history of black America, no figure is more emotive or contradictory than the mysterious Malcolm X himself.

Next week Spike Lee's film of Malcolm X's life will be released in America. Already Lee's \$34 million epic has spawned a vast industry of Malcolm X T-shirts, baseball caps, key-rings and even crisps, investing the dead civil rights activist with a newly powerful, but ill-defined iconographic status.

The question is less what Malcolm X actually stood for — that has been endlessly debated ever since his death — but more what the young black men and women who now invoke his name in their clothes and conversation believe, or choose to believe he represented.

A recent survey showed that 84 per cent of young American blacks regard Malcolm X as "a hero", but of these only one in four has more than a superficial understanding of Malcolm X's life, let alone the range of his inspirational, but sometimes dubious ideas.

Malcolm X was at least three people: the first was Malcolm Little, a poor boy from Michigan whose mother was the result of his grandmother's rape by a white man, who experienced racism red in neck and tooth and claw and grew up bad, earning the nickname "Detroit Red" as a hustling street pimp and ending up in jail. The second was Malcolm X, the convert to the radical black Muslim group The Nation of Islam who preached against the "blue-eyed white devils" and abandoned his "slave name" for the angry anonymity of X.

Then there was his third incarnation, as El-Hajj Malik El-Shabazz, who broke from The Nation of Islam and embraced a more integrationist approach to race but was shot down by black Muslim fanatics before he could turn those ideas into a credo.

Today a majority of young black Americans identify with the first and second Malcolm X, the frustrated street kid and fire-breathing racist radical. The last phase of his life, when his philosophy seemed to be growing closer to that of Martin Luther King, plays little part in his new incarnation in the popular imagination, perhaps because it is so hard to define. Days before he died, Malcolm X himself confessed:

"I'm enough of a man to tell you that I can't put my finger on exactly what my philosophy is now."

As the writer Marshall Frady pointed out in a recent *New Yorker* article, Martin Luther King and Malcolm X represented "from the turbulent black awakening of the '60s, two lines of descent — two temperaments, two potentials —

[which] have contended for the spirit of black Americans." The elevation of Malcolm X to the status of pop icon may signal the triumph of Malcolm's (earlier) philosophy of separation and anger over King's dream of integration.

At a time when America faces chronic racial problems and a black underclass seething with hostility

and pain, that is a chilling prospect. In his days as a spokesman for The Nation of Islam, Malcolm X said some terrible things. An avenging prophet with fiery red hair and virilic oratory, he scorned the white race as "two-legged white dogs sipping four-legged dogs on you and your mother". The racist gobbledegook of The

## Malcolm X's terrible legacy

A new film seeks to glorify a racist, says Ben Macintyre



Pimp and politician: Malcolm X in Chicago in 1961. For today's black youth he has become a hero

Nation of Islam, complete with nonsense about scientific breeding, reminds one of nothing so much as those early German anti-semites whose racial fantasies laid the groundwork for fascism.

"We don't want to integrate with that ole pale thing," Malcolm X would thunder, claiming that "the Jew is behind the integration movement, using the Negro as a tool". When a jet carrying many of Atlanta's white leaders crashed in Paris in 1962, Malcolm X celebrated: "A very beautiful thing has happened."

That sort of talk has a growing currency, as was seen during the election campaign when Bill Clinton criticised the singer Sister Souljah for suggesting black people take a week off from killing each other and start on whites.

It is the worst, and often misremembered phrases of Malcolm X that trip most easily off the tongues of his newest disciples "an eye for an eye", power "by any means necessary", "the dog is the white man's closest relative".

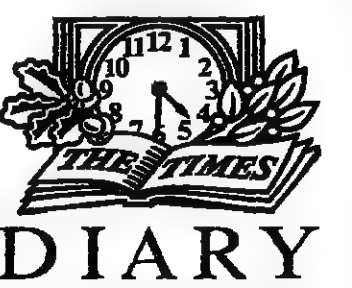
It is the Malcolm X who claimed that, when he met Martin Luther King, he was "gonna hit him in the jaw and see just how non-violent he really was" (when he did meet him, he posed for a photo opportunity, as it happened) who is emerging from the latest publicity blitz, not the Malcolm X who, echoing King, said two months before his assassination: "I will join with anyone. I don't care what colour you are, as long as you want to change this miserable condition that exists on this earth."

But he also advocated a form of racial intolerance that had its counterpart in the fulminations of the Ku Klux Klan, and which may prove to be his most enduring legacy.

Malcolm was gunned down in New York's Audubon Ballroom by the Muslim radicals he had abandoned; he was a victim, finally, of black rather than white racism, but his ideas helped to promote both. He died a martyr to black racism.

Long before the release of *Malcolm X*, many young blacks have already made up their minds about the man and his message, boiling down a double-edged philosophy into a mere badge of defiance to adorn baseball caps. Spike Lee has maintained that his film presents all sides of Malcolm X, and he readily admits the man's contradictions even though the director's public pronouncements place him far closer to Malcolm the racist demagogue than the man who eventually admitted: "Yes, I have made sweeping indictments of all white people. I never will be guilty of that again." Spike Lee gives no such assurances.

The symbol X has always been used to represent the indefinable, a *tabula rasa*, a label to be filled in. That is its mystery, and its menace.



loft 15ft above. "A miracle!" asked the children. No, merely brother Michael playing tricks again.

Any possibility of a birthday celebration — the Archbishop of Canterbury is 57 today — has been put on hold in the wake of the synod vote. George Carey will spend a working day at Lambeth Palace offering congratulations and commiserations to churchmen and women. "He will probably be kept busy seeing endless delegations until after Christmas," the palace says. "This time last year the archbishop and his wife — whose birthday is one week after his — took the time off in France."

### Gender mender

AS the Church of England goes co-ed, it would be well-advised to

check its legal statutes. King's School in Canterbury, the ancient church school which has the Dean of Canterbury on its governing body, accepted girl pupils for the first time two years ago. Now it has discovered that it is in breach of King Henry VIII's charter.

The historic document decrees that "there be always in our Church of Canterbury 50 boys poor and destitute of the aid of friends". Many of the scholars' gowns are today worn by young ladies. If any scholar is found to be "remarkable for a natural distaste for learning" the statute decrees he shall be "despatched elsewhere, lest as a drone he devour the honey of the bees". What the headmaster Canon Anthony Phillips has been wondering, if his sweet but idle sister is equally disinclined to study? Could the governors be found guilty of what the statute describes as "fraud or wicked guile"?

To the rescue comes Robin Leigh-Pemberton, Lord Lieutenant of Kent, bearing on behalf of Her Majesty a new royal charter replacing the deficiencies. The charter will be presented to the school next week.

Ivan Massow, dispenser of financial advice from Paula Yates's sofa in Channel 4's *Big Breakfast* show, was flattered when Company mag-



● Congratulations to David Pountney, left, on receiving France's Le Chevalier award for foreigners who have made an important contribution to the arts. But Pountney, the director of productions at the English National Opera, has upset Jack Lang, right, the French culture minister, by failing to acknowledge the honour. "I didn't know anything about it," Pountney says. "The letter sat on the doormat of my old house for three months and no one passed it on." They rang him up, eventually.



● The magazine set up a shoot with a top photographer "I thought

### Bill and Ben

ONE of Bill Clinton's contemporaries at Oxford was Ben Pimlott, whose 700-page biography of Harold Wilson entered the best-seller lists yesterday. Pimlott was unwittingly one of the main sources of the "Bill-the-bimbo-killer" stories which came to dominate the latter months of the presidential campaign.

"I was in Tangiers seeking some peace and quiet in order to finish the book," Pimlott says. "No one knew I was there but a British Sunday newspaper tracked me down and rang me while I was eating breakfast, asking for the dirt on the Democratic candidate."

Pimlott told the newspaper he did not know Clinton. "But we have it on good authority you were a fellow politics student in 1968," insisted the newspaper. Pimlott confessed it was true but added that he had never known the man.

Instead he furnished the names of two former Oxford girl friends. One, now a senior New York academic, was subsequently rung at her apartment by the same newspaper at Sam. "I gather you knew Bill Clinton at Oxford. Did he smoke marijuana?" came the brusque demand.

"What is marijuana?" demanded the lady.





## A BETTER DAY

Mr Lamont was economically cautious but politically canny

Conservative MPs waved their order papers yesterday with more genuine relief than at any time since their government's economic policy collapsed on Black Wednesday. Norman Lamont did not do everything they had asked for. But he did the big thing for them well enough. He seemed commanding; he convinced them that there was finally a new policy in place of the old; and he made Labour's Gordon Brown look like a pettifogger. By recent standards that was a good afternoon's work.

The MPs felt that they had made a difference, that all those meetings with Treasury ministers — the warm gin-and-tonics in the Chancellor's rooms — had been worthwhile. The wide range of measures, from abolition of the discriminatory tax on cars to the purchase of houses "overhanging" the property market, reflected these concerns. It had been made clear to them that they must support the whole package. Those MPs who feel that the measures are insufficient have our support. But it is hard not to admire the political agility of a man whose days were numbered in single figures such a short time ago.

The outlook for the British economy is still bleak. Growth will be weak. Unemployment will continue to rise. Public borrowing has been barely controlled. This autumn offering will not encourage men and women on the threshold of employment to take a risk and spend money. Nor will it encourage those nervously hanging on to work to think that their position has been made much more secure. Mr Lamont has rejected the

advice of those, including *The Times*, who wanted a tighter squeeze on spending and a sharper cut in interest rates. We hope that he is right and we are wrong; we fear that the opposite is true.

The government now hopes that the bubble of optimism on its backbenches yesterday will survive unpricked and float out, down and through the rest of the nation. A united Tory party is certainly a more believable messenger than the shambolic mass on view over the past few weeks. But Mr Lamont has purchased that unity at the price of caution. He introduced none of the social security cuts and tax rises that had been carefully leaked to the media. His success will now depend on what he does with the equilibrium that has been gained.

There will still be trouble ahead as Parliament debates the various measures. The legal aid bill faces cuts that will alarm many. The defence budget, which has fewer friends these days than in the past, has taken cuts that demand a more thoroughgoing review of priorities than seems currently likely to happen.

The government's other troubles remain. On top of Maastricht and the mining industry comes the Matrix Churchill affair which seemed last night to be causing more high level worries than even the reaction to Mr Lamont's great labours. MPs yesterday did at least get a little for their comfort from the Chancellor, and a little for their desires too. But the future, in Chesterton's phrase, is still one where the sky grows darker yet and the sea rises higher.

## THE ENEMY OF THE GOOD

The UN should give up trying to sweet talk the Khmer Rouge

Experience must now triumph over hope in Cambodia, if the wretched country is to be spared a second Khmer Rouge persecution. The United Nations must find ways to salvage an operation which is at risk of becoming the international community's most expensive failure.

Last year's Paris accord, jointly guaranteed by the UN Security Council's five permanent members, assumed that there could be no peace in Cambodia without the Khmer Rouge. The strategy was to tame them by treating them as a normal political entity. The UN would run Cambodia pending elections, but in concert with a Supreme National Council on which sat the Phnom Penh government and all three resistance groups. This strategy is bankrupt.

The idea of the Khmer Rouge acting in good faith as partners in national reconciliation was always about as credible as would have been Waffen-SS seats in a postwar German cabinet. Given a foot in the door, the Khmer Rouge have set about kicking down the house the UN is trying to construct.

Last May the murderous Pol Pot, who still controls policy from his jungle hideout, decided that the Khmer Rouge had everything to lose by demobilising and contesting the free elections planned for next May. Since then, the Khmer Rouge have obstructed UN access to areas they control, refused to disarm and demobilise, mined fields, blown up roads and shelled villages in a bid to terrorise the countryside, concocted pretexts to boycott meetings and attacked UN forces. They have extended their territory and built up a gem and timber trade with Thailand worth around \$58 million a year.

In the forlorn hope that they were simply playing for time before coming to terms, the UN responded to these treaty violations with financial carrots and diplomatic overtures. The Khmer Rouge have treated these with as much contempt as they have the security council's increasingly desperate demands that it meet its obligations. Last month, the security council issued an ultimatum, giving the Khmer Rouge until this Sunday to stop fighting and agree to demobilise and meet all its obligations under the UN plan. It also insisted that the UN would hold elections no later than next May. For reply, the Khmer Rouge dynamited the main routes to the

north of Cambodia. At "last chance" talks in Peking last week the nominal Khmer Rouge leader, Khieu Samphan, shrugged off the ultimatum and confirmed that the Khmer Rouge would boycott the elections.

Persuasion has had its day. The security council must reset the UN's compass, knowing that no course is risk-free. Forty-four countries have committed 22,000 troops, police and administrators to this \$2 billion venture. The UN's authority is on the line. Withdrawal would spell the end of hope for Cambodia, and set a disastrous precedent for the UN. Equally, the UN cannot allow the Khmer Rouge to exercise a political veto and to launch offensives with impunity.

To turn the UN mission into a full-scale military enforcement operation would be risky and premature. But the security council should authorise the selective use of force in response to Khmer Rouge attacks. Unless the UN acts, the other Cambodian factions could well decide to go back to war. In Cambodia's treacherous tropical terrain, the UN cannot put a military steel fence round the Khmer Rouge, but it can step up checkpoints and patrols. The council could also revive the Khmer Rouge of money, imposing economic sanctions under Chapter VII of the Charter. Thailand, the Khmer Rouge outlet, has promised to co-operate, although sanctions would not be watertight.

In parallel with these sanctions, the UN should press ahead with preparing elections in May, with or without the Khmer Rouge, and see what can be done thereafter to block them. The elections will be on the basis of provinces, none of which are entirely under Khmer Rouge control, so the results would be genuinely country-wide even if balloting cannot take place in Khmer Rouge areas.

The council should state now that disruption of the elections will be met by UN force. It should emphasise that the elected government will be the only channel for the \$80 million already pledged to rebuild Cambodia, and will be helped to form a new national army — making clear to the Khmer Rouge what it will then be up against, if it continues the fight. All this falls short of healing Cambodia's bitter wounds, as intended in the Paris accord. But it would give the majority of Cambodians a chance to start healing them themselves.

## LITERARY DISINHERITANCE

The great English classics have timeless relevance

In a country where the social significance of the spoken and written language is enormous, the teaching of English has consequences which extend far beyond a child's school years. Compiling a list of recommended reading for 14-year-olds would be difficult even if there were no argument about what teaching English should be about and whether true literacy requires the study of great literary classics. Because the teaching of English, both language and literature, has become a battleground for social engineers and axe-grinders of every description, any proposed book list will be political dynamite.

The education secretary, John Patten, is known to be determined that all children taking English national curriculum tests at 14 should be introduced to the great works of English literature. His view, loosely labelled "traditionalist", is that no child should leave school without a knowledge of his own literary heritage. The minimal prescription of Shakespeare plus "some pre-19th century literature" made by the government's working party on English, chaired by a former (but lapsed) traditionalist, Professor Brian Cox, is much too vague.

The claims made for such an undirected policy are of a piece with much progressive

educational thinking. This holds that any detailed list of required reading will limit children's freedom to experiment, stifle their natural inclinations and become a historical canon locking the study of English into permanent irrelevance to modern life.

A powerful camp within the educational establishment has argued that the formal rules of the English language itself are a kind of conspiracy against the less privileged, who do not share the lifestyle associated with "standard English" (which, they argue, is simply one dialect among many). Similarly, the supposed "great tradition" of literature is seen as the province of an elite, almost meaningless to the inner-city or non-white child who needs to read about people more like himself.

What has happened to the idea that children can be liberated by reading about people who are not like themselves? Is not the glory of literature to free people from the limitations of their own backgrounds? It is insulting to assume that today's children lack the imagination to transcend their own time and place, as previous generations have done. To suggest that Chaucer, Hardy, and Jane Austen may be optional extras would be to risk disinheriting a generation. Mr Patten must hold out for his convictions.

## 'No cover-up' over arms for Iraq

From the Attorney General

Sir, It is important that parliamentary and public scrutiny of the recent Matrix Churchill prosecution should be based on a proper understanding of the duties of the prosecution and ministers concerned in all such proceedings rather than ill-informed comments.

The existence and nature of the documents in question were declared to the defence by the prosecution in accordance with its duty to disclose unused material. For this purpose the prosecution had required a trawl of files by all relevant departments to identify potentially disclosable material.

Public interest immunity is not — to quote a judgment of Lord Justice Bingham, now the Master of the Rolls — a trump card vouchsafed to certain privileged players. It is an exclusionary rule, applying equally to all parties to litigation and irrespective of whether it helps or hinders them, whereby certain classes of documents are immune from production if harm may thereby be done to the operation of the public service.

Such a claim cannot be waived by the minister. In the Matrix Churchill case, ministers had been advised that there were certain well recognised classes of documents capable of attracting public interest immunity. They saw the documents and concluded they fell within those classes. On that basis, they were advised by counsel and myself that they were required by law to claim public interest immunity on behalf of the Crown. Counsel did not advise the case was one where the court would inevitably order disclosure and accordingly certificates saying that the documents fell within a category where their disclosure would in principle be contrary to the public interest were signed on our advice. I should add that if, at that stage, any of the documents had shown that it was unfair to continue this case it would have been withdrawn forthwith.

Such certificates are not conclusive. Each claim is considered by the court which may inspect the documents before determining its validity. Where the claim is upheld, as in the present case, the court must go on to consider whether the interests of justice in the particular case require that the public interest in confidentiality be overridden. It is not open to ministers to second guess the court on this issue. The decision is for the court to make, not for the minister. This applies equally whether the document may be helpful to the prosecution or to the defence.

Those who followed the trial will be aware that at the outset in early October the procedure adopted by the judge was to consider first the validity of the claim, which he upheld, and then undertake the balancing exercise. In doing so he ordered disclosure of the vast majority of the documents.

I must correct misapprehensions that the concept of public interest immunity does not extend to criminal proceedings. There are decided cases — and recently an authoritative statement from the Court of Appeal in *R v Judith Ward* — to the effect that it does. The number of criminal cases in which certificates are necessary is small but it is certainly not a novel

concept.

You will recall that the case was abandoned by the prosecution as a result of departures by Mr Alan Clark, during cross-examination, from his earlier evidence. What we have seen was not a "cover up" in any way but the careful application of well established procedures designed to ensure the proper balancing by the court of competing public interests and thus the administration of justice.

Yours faithfully,  
NICHOLAS LYLELL,  
9 Buckingham Gate, SW1,  
November 12.

From Mr James Hunt, QC,  
and Mr Michael Stokes

Sir, We appeared for one of the Matrix Churchill defendants in the recent Old Bailey trial and can, accordingly, claim to have some acquaintance with the facts. We feel bound to state that much of the reporting elsewhere in the media of the government documents issue has caused us to think we must have been present in an altogether different court.

The plain fact of the matter is that counsel for the Crown, Alan Moses, QC, said at the outset, when placing the public interest immunity certificates before the court, that the question of disclosure was a matter for the trial judge and not for the ministers concerned. Public interest immunity cannot be waived by either the prosecution or the ministers. It was for the judge to decide whether the interests of justice in ensuring a fair trial for the defendants outweighed those considerations of public interests referred to in the certificates.

There was no question of anyone attempting to suppress evidence. In the event, the judge decided in favour of disclosure and the documents were immediately produced. Although views may differ as to the importance of the documents, the approach of counsel for the Crown to the question of public interest immunity was entirely in accordance with our understanding of the decided cases.

Yours faithfully,  
JAMES HUNT,  
MICHAEL STOKES,  
1 King's Bench Walk, Temple, EC4.

From Lieutenant Commander Colin McMillan, RN (ret)

Sir, The current arms-for-Iraq affair raises yet again the unrestricted (and often secret) export of arms to fuel existing wars and/or to ignite new wars. The dead, mutilated, bereaved and weeping multitudes cut no ice in the boardrooms of the principal arms manufacturers.

The influence of arms producers over the foreign policies of their governments is frequently both pernicious and undemocratic. Ex-Soviet weapons to Iran and Chinese arms to almost anyone is the current scene. The means at the UN's disposal are woefully inadequate, even to deal for example with Bosnia, Cambodia and Somalia. Moving a significant proportion of national armed forces from their own national defence to the control of the UN Security Council is the first essential step.

Your obedient servant,  
COLIN McMILLAN,  
12 Park Avenue, NW11.

sponsorship our exhibition programme would cease. And yet in some 50 press cuttings about a recent show, I counted just four mentions of the sponsor's name. No wonder sponsors are becoming more aggressive.

Indeed, in comparison with some patrons of the past, the modern sponsor is a model of restraint. Pope Urban VIII's family logos — bees and suns — liberally adorned the great baldacchino by Bernini in St Peter's, Rome. Worse still, the magnificently decorated altar frontal of the medieval pilgrimage cathedral of St James of Compostela was inscribed: "This frontal was made by Diego II, bishop of St James, in the fifth year of his episcopate. It cost the treasury of St James 75 marks."

The artists are not mentioned. Yours sincerely,  
CAROLE PATLEY  
(Head of Development),  
National Portrait Gallery,  
2 St Martin's Place, WC2,  
November 5.

## Treading the boards

From Mr Ken Russell

Sir, In an article entitled "The public life of a would-be composer" (*Arts*, November 6) Peter Lewis wrote: "Russell proceeded to fall in love with the unknown actress he had cast as the dancer — Hetty Baynes, who is now the third Mrs Russell."

In your issue of May 5 Martin Hoyle, reviewing the play *Women Laughing*, referred to her as the "wonderful Hetty Baynes". Obviously she was known to him, as she has been for 20 years to many other familiar with her work on the stage, screen, television and radio.

Yours sincerely,  
KEN RUSSELL,  
16 Salisbury Place, W1,  
November 9.

Business letters, page 29

Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — 071-782 5046.

## Maastricht doubts and dilemmas

From Sir Andrew Hugh Smith,  
Chairman of the London  
Stock Exchange

Sir, On November 2 you published a letter from Sir Michael Angus and other leading company chairmen arguing powerfully for an end to the uncertainty over "the Maastricht treaty and our future in Europe". It ended: "Without a clear message soon from Parliament, political uncertainty will translate into more lost output and unemployment."

I can only endorse this plea, as I believe that damage is already being done to our economy. In Tokyo last week Japanese businessmen consistently expressed to me the utmost alarm at the threat to the viability of their investments in this country and consternation at the possibility of any distancing of this country from the European Community. No doubt the business community in other countries are reacting in the same way.

Our economy has gained much in recent years from this inward investment from other countries, notably in manufacturing facilities aimed at the European markets as a whole. Our productive output and in particular employment have benefited greatly. The largest element of this investment has come from Japan although many other countries, including the US, have taken the same course.

Clearly there will be no further inward investment in this country while this situation persists. Even if the uncertainty is cleared up we will have done no service to our prospects for investment in the future. Following a clear commitment in the election manifesto of all three parties to Europe and the Maastricht treaty the current disorder and uncertainty can only bring our political institutions into disrepute.

Yours faithfully,  
ANDREW HUGH SMITH,  
Chairman, London Stock Exchange,  
London EC2N 1HP,  
November 10.

From Professor Harold Chorney

Sir, Whatever lessons that may be drawn from Canada's constitutional difficulties for Britain with regard to ratifying the Maastricht treaty, the divisive role of language (Mr Procop's letter, November 2) ought not to be exaggerated.

What fuels nationalist sentiment in Quebec more than any other factor is the chronic high rate of unemployment that prevails in the province. More than any other region, save the Atlantic region, Quebec has been harmed by the monetarist policies followed by the Bank of Canada.

To the extent that the Maastricht treaty enshrines a similar monetarist

logic emanating from the German Bundesbank through the exchange-rate mechanism and European monetary union, Britain should be wary of the treaty.

Federalism, although always requiring compromise, is a wise and progressive form of government, permitting maximum regional autonomy or subsidiarity, provided it takes as its first principle the entrustment of full employment.

Otherwise it leads to regional discontent, separatism, nationalist reaction and even extremist politics. One does not have to look far to find evidence of this in either Europe or North America.

Yours sincerely,  
HAROLD CHORNEY  
(Associate Professor of Public Policy),  
Concordia University,  
Montreal, Quebec,  
November 4.

From Dr David Barnes

Sir, Since 1972 we have seen the virtual extinction in this country of the heavy metal industry, shipbuilding, the merchant fleet, the fishing fleet, the car industry, consumable electronic manufacture, the textile industry, farming, the building construction industry and now coal-mining. And with all this we are net contributors to the EC. Clearly, some one needs to explain exactly what were the benefits of membership of this organisation.

We were once self-sufficient in all the above. There is no reason why this could not be so again. Our own workforce is just waiting to be re-employed. When next MPs are faced with a vote on the Maastricht treaty, they should cast it for the benefit of the country, not just for their own party interests.

It ill behoves a collection of MPs to claim betrayal and loss of support when many of them were the very donkeys who used the same tactics to remove the lion who led them.

Yours faithfully,  
D. BARNES,  
North Park House Surgery,  
High Road,  
Broxbourne, Hertfordshire.

From Mr J. G. T. Sheringham

Sir, Were I the prime minister of Denmark I would decide that my referendum on the Maastricht treaty would not take place until after the United Kingdom Parliament had made up its mind.

Yours faithfully,  
J. G. T. SHERINGHAM,  
30 Lys Hen Ysgol,  
North Road,  
Aberystwyth, Dyfed.

## Gatt breakdown

From Lord Buxton

Sir, Those of us who have tried for months or years, against our natural instincts, to perceive the advantages of being subordinate to Europe, must be rocked by the current Gatt affair. It is obvious that the EC president, rightly or wrongly, is thought to have committed a serious indiscretion, possibly with questionable motives; yet apparently nobody is allowed to say so. Even ministers on television and radio duck the issue.

Is this the treatment which ordinary citizens are to expect under Europe? It may be reasonably clear who hires the EC mandarins, but who sacks them if they fail in their duty? And since a bureaucrat, senior or otherwise, is likely to be a national of a member state, what happens if a dominant member state is likely to be annoyed or embarrassed by the criticism or removal of its own compatriot?

Not only are we in danger of being pushed around by unelected officials

abroad, but it seems that we have no control over appointments and no way of openly having offenders on the mat. Such a system will never work without fundamental safeguards which must somehow be above and independent of member states. Clearly the rotating chairmanship of the EC in no way matches up to this requirement.

I am, Sir, yours faithfully,  
BUXTON,  
House of Lords,  
November 10.

From Mr Robert J. Taylor

Sir, M Delors and other EC commissioners might be more objective and independent in their advice and actions if the Community were to adopt rules debarring senior EC officials from standing for election to any national post after holding EC office.

Yours faithfully,  
ROBERT J. TAYLOR,  
1 Wetherby Gardens, SW5,  
November 8.

## Peace and ballot box

From Mr Allan T. Griffith

Sir, Mr John Matthew, in his letter of November 7, rightly advocates international action to ensure carefully regulated, impartially supervised and internationally monitored elections in countries such as Angola where the "ballot box" is a key feature in seeking to terminate regional civil wars. The scrupulous and pioneering work of Britain and the Commonwealth in Zimbabwe in 1980 was matched by a vigorous UN implementation of Resolution 435 in Namibia in 1989.

Sadly, the position of the UN in Angola was that of an aide to an internationally recognised government and member of the UN, which could at will side-step the best intentions of the sponsors of the Angolan peace process. In effect, the UN was facilitating an agreement, not implementing it.

Mr Matthew is right to take Zimbabwe as the role-model for a successful "ballot-box" peacemaking action. Unstinting investment in a seeming superfluity of election supervisors, monitors and observers and concomitant press facilities indisputably contributes to the success of the process. The Angolan election debacle reinforces that point. The UN should be able to learn much from this experience for the challenge facing it in Cambodia, where, as in Namibia, it is implementing a process wholly under its authority.

Yours etc.,  
ALLAN T. GRIFFITH,  
36b Northam Road, Oxford.

## Church and universe

From Mr Nicolas Walter

Sir, The Astronomer Royal (letter, November 7) proposes that the Church of England should follow the Church of Rome in establishing a forum for the discussion of questions of joint scientific and religious interest. There may be reason to believe that this would be good for religion, but is there any reason to believe that it would be good for science?

Yours etc.,  
NICOLAS WALTER,  
Rationalist Press Association,  
88 Islington High Street, N1,  
November 9.

## First catch your boar...

From Lady Richmond

Sir, Is Frances Bissell serious when she suggests we, your readers, use her recipes? The necessary ingredients have become progressively esoteric but last Saturday's calls for a portion of wild boar and a few grouse. My local Sainsbury's have a good selection of various meats but I feel would be hard pressed to produce wild boar. I try to live up to the slogan "Live simply so that others may simply live." Recipes for wild boar and grouse do not help.

Yours hopefully,  
SALLY RICHMOND,  
5 The Orchard,  
Westfield Park South,  
Bath, Avon,  
November 9.

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Reading between the Basque country battle lines

# THE TIMES 2

FRIDAY NOVEMBER 13 1992

## Lamont cuts base rates to 7%

### Economists disappointed by Chancellor's package

By COLIN NARBROUGH AND LINDSAY COOK

THE full-point cut to 7 per cent in base rates announced by the Chancellor yesterday took rates to their lowest since 1978. Abbey National, the second largest mortgage lender, swiftly cut its mortgage rate by 0.75 points, giving a base mortgage rate of 8.5 per cent on loans up to £60,000. Mortgage rates have now fallen a full three percentage points this year. Other mortgage lenders are expected to fall into line. National and Provincial and Newcastle building societies have already cut to 8.5 per cent for new borrowers.

The rate cut and the growth-promoting measures in the Chancellor's Autumn Statement left City economists disappointed, however. On the stock market, the FT-SE 100 index of leading shares had risen by 34.4 points in anticipation before the Chancellor stood up but ended up 29.6, at 2,726.4. Trevor Langham, equity market strategist at Kleinwort Benson Securities, said he was "pleasantly surprised" by the speech and forecast that the FT-SE index would breach the 2,800 mark in the next trading session. Others were more cautious.

The decision to hold the base rate cut to one point, instead of the two points the market had been hoping for, helped to avert any adverse reaction on the foreign exchange markets. Before the measures were announced, sterling eased back against both the mark and the dollar, falling 0.1 on its trade-weighted index to 77.8 at the 4pm official close, matching its record low. It ended more than half a penny down at DM2.4126. The pound edged less than half a cent lower at \$1.5205 in London, but edged slightly higher on a broad front in late trading and in New York.

The much-awaited forecast for the public sector borrowing requirement (PSBR) matched the upper end of City forecasts, but the gilt-edged market, which has been coping easily with the large volume of government issues, appeared unworried for the moment.

Simon Briscoe, economist at Midland Montagu, said the gilt market would have no problem with the bigger PSBR. "Growth is the problem for this year. The PSBR is the problem for next."

Mr Lamont predicted that the economy would grow by 1 per cent next year, more optimistic than most City forecasts, after a fall of 1 per cent this year. He forecast that underlying annual inflation would be below 4 per cent at the end of next year. His

announcement of an indicative 4-8 per cent range for growth of the broad money aggregate, M4, caused unease among analysts, however. The fear is that the government, which has already published targets for inflation and the narrow money aggregate, M0, could use M4, currently running at an annual 5.1 per cent, as an excuse for abandoning its key objective of lower inflation.

For all the measures targeted to help investment, housing and the car industry, economists saw little in the Autumn Statement that was likely to produce a rapid recovery. The base rate cut, effective today, and the other measures were seen to offer too little to spur consumer confidence. Indeed, the severe clampdown on public sector pay was seen to pose a risk of political unrest and further dampening of consumer spending.

Gerard Lyons, chief economist at DKB, said the government should cut base rates to 5 per cent soon to give the economy a real lift given the current weakness. "But I think they will be reluctant to do so," he said. Stephen Hannah, chief economist at IBI International, said: "I don't see anything in the Chancellor's statement that will set activity alight." Real interest rates remain high.

Ernst & Young, the accountancy group, said the overall effect of Mr Lamont's measures on stimulating the economy was "unlikely to be significant." Richard Law, corporate tax partner at E&Y, said the Chancellor's tax incentives were "hardly a kick-start."

There was some disappointment among mortgage lenders that there was no substantial tax relief to help the housing market.

Jim Birrell, chief executive of Halifax Building Society, said: "We did ask for extra help for first-time buyers through the tax relief system and we are disappointed that this has not been given. Nevertheless, we welcome the additional Housing Corporation allocation." This £750 million is to buy 20,000 empty homes.

John Wrigglesworth, analyst at UBS Phillips & Drew, said the statement was "a complete disappointment." Mortgage rates had been available at under 8.5 per cent for three months or more and people had not rushed to buy properties, he said. The money for the Housing Corporation was equal to one week of housing transactions in a very depressed market.

More than 40 per cent of homebuyers will not see the benefit of any 1992 cuts until next year, when their payments are adjusted under annual review schemes.



Early arrival: Norman Lamont at the Treasury yesterday before his statement

### Jobless highest for over 5 years

By PHILIP BASSETT  
INDUSTRIAL EDITOR

UNEMPLOYMENT rose by a further 24,000 last month to its highest level for five and a half years. It was the 30th successive monthly increase since numbers out of work started to rise again at the start of the recession.

The government said measures announced in the Autumn Statement would help the unemployed. Labour, however, said unemployment would probably top 3 million in the coming months as redundancies already announced started to feed into the figures.

A slow decline in the rate of increase of average earnings provided the only positive indications from the employment figures. Earnings are rising at an annual rate of 5.5 per cent, compared with 5.75 per cent in August.

Seasonally adjusted unemployment — generally taken to be the best indicator — rose by 24,200 in October to 2,868 million, representing 10.1 per cent of the workforce. The figure is the highest since May 1987, when it stood at 2,873 million, and 1,272 million higher than when unemployment started to rise in April 1990.

City economists were expecting a higher increase. Government officials acknowledge, however, that many more job losses — such as those in the coal industry — have yet to show up in the figures. Estimates of monthly increases over the next few months of 30,000 to 35,000 are not being revised downwards.

Michael Forsyth, the employment minister, said: "You would need to live on the moon not to recognise that things are extremely bleak."

### Industry confidence restored, says CBI

By PATRICIA TESHAN

THE Chancellor's boost for business in yesterday's Autumn Statement has won back the confidence of industry, according to Howard Davies, director general of the Confederation of British Industry.

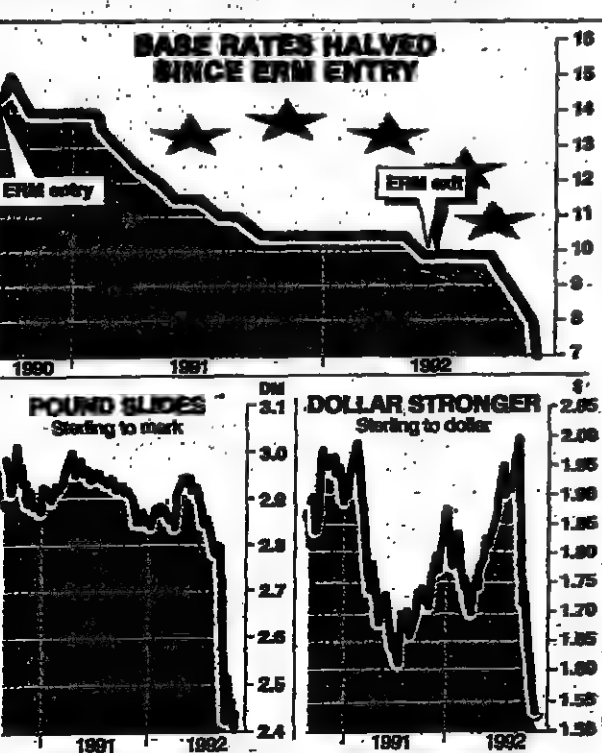
He said Mr Lamont had responded to many of the CBI's suggestions. "No-one can be sure that these measures will be sufficient to bring us out of recession, but they will begin to rebuild industry's confidence in itself and in the government," Mr Davies said. However, the package was condemned by small businesses as offering "only crumbs of comfort". Stan Mendham, chief executive of the Forum of Private Business, said: "It is regrettable that the main benefit will be to big business while small businesses are left to pick up the crumbs."

The CBI got virtually everything it wanted from the Chancellor, although it had called for a 2 per cent cut in interest rates and a freeze in public sector pay. Mr Davies

said he hoped the government would make another cut "before too long".

Peter Morgan, director general of the Institute of Directors, was disappointed that the interest rate cut was limited to 1 per cent. He had also hoped to see measures to protect firms from rises in the uniform business rate, but he described the package as very positive. He said the measures "ought to do a lot for confidence and, more particularly, for activity". The Chancellor had chosen the right strategy in limiting public sector pay and protecting infrastructure spending.

Sir Brian Hill, president of the Building Employers Confederation and chairman of Higgs and Hill, the builder, welcomed the package, but had reservations. He had hoped for a 2 per cent cut in interest rates, was sceptical about the forecast for 1 per cent growth in GDP next year, and had hoped to see mortgage tax relief and the abolition of stamp duty.



### National Savings withdraws bonds

By LINDSAY COOK  
MONEY EDITOR

ALL National Savings fixed-interest accounts were withdrawn last night after the base rate cut. All except the FIRST Option Bond will be reintroduced over the next month. Variable rate accounts are also being reduced.

The bond, launched in July, was in direct competition with building societies as it was the first National Savings product to be developed for basic rate taxpayers. It originally paid a guaranteed 7.75 per cent over one year after basic rate tax was deducted.

Within two weeks of the launch, the Cheltenham & Gloucester Building Society raised its mortgage rate 0.24 per cent, blaming the competition from the National Savings bond. In the first eight

working days, the bond had attracted £112 million. It was replaced with a second edition two days after the mortgage rise, with the new version paying 7.25 per cent. A later cut reduced it to 6.5 per cent after basic rate tax on £1,000. The C&G reversed its mortgage increase immediately. The societies had a net inflow of only £81 million in the first nine months of the year.

Even more competitive was the fifth issue of index-linked certificates paying 4.5 per cent above inflation over five years, tax-free. This worked out at 8.1 per cent at the current inflation rate. It will be replaced with the sixth issue, paying 3.25 per cent above inflation.

The 40th issue of fixed-interest certificates will pay 5.75 per cent tax free over five years. Series G of Capital Bonds will offer a gross return equal to 7.75 per

cent, and series E of Children's Bonus Bonds will pay 7.85 per cent over the first five years. The rate on the gross paid investment account is falling from 7.25 per cent to 6.25 per cent from November 26. Income bonds are falling 1 per cent to 7 per cent from Boxing day. The general extension rate on matured certificates will fall to 3.75 per cent.

Andrew Longhurst, chief executive of the Cheltenham & Gloucester said: "National Savings has had a very significant inflow as opposed to an outflow from building societies in recent months. There has been pressure from National Savings rates to keep our savings rates up. This is now eased." The society is paying 7.75 per cent gross on its instant access postal account. This will be reduced when its mortgage and savings rates are cut.



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مكتبة الأمل



# Burton returns to the black amid signs of rising sales

BY JONATHAN PRYNN

BURTON Group set City pulses racing ahead of the Autumn Statement yesterday with a trading statement for the first ten weeks of the current financial year showing sales up 17 per cent on the same period last year.

The shares leapt on the announcement to close at 55p, up 11p. The company warned that although the increase was encouraging, "given the poor trading experienced in September 1991 and the continuing economic uncertainty, it is not necessarily indicative of what may be achieved in the current year".

However, Sir John Hoskyns, the chairman, said that, despite a highly volatile and difficult trading environment, he was "increasingly confident about the direction in which the group is now moving".

Pre-tax profits for the 12 months to August 29 were £9.4 million compared with a £13.4 million loss last year. A final 1p dividend makes 2p for the year, a 26 per cent cut on last year's 2.7p. Earnings per share were 0.8p (2p).

The improvement was particularly marked in the second half when like-for-like sales rose 15 per cent and a £2.7 million trading profit was returned compared with a loss of £1.7 million last year.

**Burton is continuing its store closures and the dividend for the year is to be cut but there are increasing signs from the board of confidence over the future of the group**

The best performers within the group were Debenhams, which saw profits rise 20 per cent to £31.1 million, and the Dorothy Perkins, Top Shop and Champion chains. The Burton Menswear and Principles chains were described as "disappointing". Gross margins fell by 0.8 of a percentage point in the first half and by 0.5 of a point in the second.

The full-year margin was 2 per cent, down from 2.8 per cent. Burton's share of the market in the second half was 12.6 per cent against 11.6 per cent for the same period in 1991.

For the full year, the market share was 12.3 per cent.

The company is continuing its programme of store closures. 44 shops were closed last year and Burton is providing for a further 88 closures during the current financial period. Last year, shop closure cost the company £4.9 million.

A change in the accounting policy on development properties resulted in a £4.2 million charge in the second half, reflecting the net funding cost of the properties prior to disposal. The change in accounting policy allowed Burton to set aside £2.1 million of old property provisions against future falls in property values. In total, property provisions were boosted by £3.1 million, well in excess of any declines in the value of the portfolio since its last writedown last year.

Burton was successful in selling a number of its development properties during the year, notably the Dartford Shopping Centre, commercial developments in Chiswick, west London, and Birmingham and one US development. The remaining five retail developments are now 84 per cent let. However, the company admitted that it has made almost no progress in letting its remaining commercial and office developments. Net debt rose from £308 million to £379 million, giving gearing of 54 per cent. Asset sales, including the sale and leaseback of the group headquarters, yielded £114 million.

*Times, page 28*



Turning up: Burton's Sir John Hoskyns, left, and John Hoerner, chief executive

## Weak pound boosts Shell

BY OUR CITY STAFF

SHARES in Shell Transport and Trading rose 14p to 551p yesterday after the Royal Dutch/Shell Group of companies reported a rise in third-quarter net income of 38 per cent to £783 million.

Stripping out the effects of stock changes, the group is up 53 per cent to £824 million. Shell gained £196 million from the weaker pound over the quarter. In the 1991 third quarter, when sterling rose against the American dollar, Shell suffered a £67 million loss from currencies.

Shell said exploration and production earnings rose because of higher crude oil and natural gas prices and better production outside America. Third-quarter earnings from exploration and production were £389 million (£316 million).

However, earnings from the downstream operations in manufacturing, marine and marketing fell to £303 million from £368 million over the quarter because of lower profit margins. Stripping out the effects of stocks, the figures rose £23 million to £340 million.

But 1992's third quarter included special credits of £12 million and 1991's included a special charge of £36 million.

The chemicals division lost £40 million in the third quarter, against earnings of £12 million last time. Shell said: "These results reflect further deterioration of petrochemicals markets under weak economic conditions coupled with the effects of industry overcapacity."

Coal lost £34 million in the quarter, including a £32 million provision for the pending sale of a coal subsidiary in America. The decline from 1991's third-quarter earnings of £13 million was caused mainly by lower coal prices and higher operating costs in America.

For the first nine months of the year, Shell made £2,217 billion of net income, up 14 per cent. Stripping out the effects of stock changes, Shell was down 6 per cent to £2,259 billion.

For the fourth quarter, Shell said oil production should rise.

## Fiat to slim operations

FROM REUTER IN TURIN

FIAT, the car maker, is preparing a restructuring plan that will aim to "slim down" the group and decentralise the holding company, Cesare Romiti, managing director, said.

He did not give details what he meant by slimming the group down.

"The restructuring of Fiat SpA is based on two elements: the slimming down, because nowadays every company in the world must slim down, and the constitution of a sort of 'brain trust', a sort of nerve

centre that is very restricted with very few men," Sir Romiti said.

It has been reported in Italy that Fiat will draw up a reorganisation plan that could include some layoffs at its central offices in Turin.

Yesterday, Fiat shares fell 137 to £4.457, but rose to £4.670 in late trading.

Referring to the slimming down, one broker said: "The market, probably wrongly, is taking it to mean Fiat may sell assets, bringing it extra liquidity."



## Half Year Results

Results for second quarter and half year to 30 September, 1992

	3 months ended 30 September (unaudited)		6 months ended 30 September (unaudited)	
	1992	1991	1992	1991
	£m	£m	£m	£m
Turnover	3,258	3,290	6,531	6,632
Operating profit	491	860	1,290	1,780
Profit before exceptional charge and taxation	431	785	1,162	1,610
Exceptional charge	-	-	135	-
Profit before taxation	431	785	1,027	1,610
Taxation	144	255	389	523
Minority interests	7	9	13	15
Profit attributable to shareholders	280	521	625	1,072
Interim dividend			381	351
Earnings per share	4.5p	8.5p	10.1p	17.4p
Earnings per share before exceptional charge	4.5p	8.5p	12.3p	17.4p
Interim dividend per share (net)			6.15p	5.7p

The interim dividend will be paid on 15 February 1993 to shareholders on the BT register of 4 January 1993.

"The influences of the economy, regulation and competition continued to be evident in these half year results. Turnover was essentially flat, although the first signs of slight improvement may have been perceptible in the second quarter. This, together with firm action to control costs, has enabled a small growth in second quarter pre-tax profit and earnings per share before redundancy charges of £386 million."

However, the economic outlook remains uncertain and the tough and challenging pressures of competition and regulation continue.

The interim dividend of 6.15 pence represents an increase of 7.9 per cent; the Board believes this increase appropriately rewards shareholders whilst remaining within prudent cover levels."

Iain Vallance  
Chairman  
12 November 1992

If you have any queries as a shareholder please call 0345 010005. For daily recorded information on the BT share price, please call 0345 010024. You may telephone these numbers from anywhere in the UK on the price of a local call.

British Telecommunications plc, 51 Newgate Street, London EC1A 7AL.

## Price of platinum is set to rebound

BY COLIN NARBROUGH

EVEN noble metals can have a hard time during recession, but demand for platinum, a key component of catalytic converters for cars, has proved resilient this year in the face of widespread and persistent economic weakness, according to Johnson Matthey's interim review of the industry.

The political and economic agencies of Russia and South Africa, the world's main platinum producers, have brought about a timely reduction in sales to bring global supply and demand for the metal close to balance. This lays the ground for prices to pick up when key economies start to revive.

The Johnson Matthey report forecasts that the platinum price will average \$370 an ounce in the current quarter and move up to \$385 in the first quarter of 1993 on the way to a possible \$400. That was Johnson Matthey's previous forecast for the end of this year. But the \$400 prognosis assumes an improvement in economic and political prospects. Platinum was fixed at \$351.25 in the London market yesterday morning.

Demand for the metal in the western world is predicted to fall by 4.1 per cent to 3.86 million ounces, primarily owing to lower demand for investment purposes. But non-investment demand is heading for a rise of 0.4 per cent, its

ninth successive year of growth. As emission controls tighten in many countries, especially in the European Community, the motor industry is expected to boost demand for platinum by 95,000 ounces to 1,655 million ounces. From this quarter, virtually all petrol-driven cars in the Community will be equipped with catalysts to meet emission limits that come into force next January.

Platinum supplies are expected to drop by 6.5 per cent to 3.89 million ounces, mainly reflecting a 30 per cent drop to 750,000 ounces in Russian sales, which have now reverted to levels seen in 1990. Russian selling to the West has this year become far more judicious than its Soviet predecessors, the report notes.

Although the political situation remains volatile, and industrial action and technical problems have disrupted production, platinum supplies from South Africa are expected to rise 1.8 per cent this year to 2.82 million ounces. The world surplus is seen shrinking to 30,000 ounces, from 135,000 ounces in 1991.

Platinum consumption in Japan, by far the leading user of the metal, is likely to fall to 1.82 million ounces from more than 2 million last year, as economic slowdown lowers demand for jewellery and car catalysts.

## Interim profit sharply up at publishing group

BY OUR CITY STAFF

PORTSMOUTH & Sunderland Newspapers, the publishing group chaired by Sir Richard Storey, sharply increased interim profits but says trading conditions have deteriorated since the half-year end.

Pre-tax profits for the six months to September 26 rose by 30 per cent, to £3.4 million, a performance the company described as satisfactory. The interim dividend has been increased from 2.73p to 2.84p. As a result, the second-half trading profit is likely to be down on last year. The shares fell 22p to 483p.

Publishing revenue in the first half rose by 0 per cent to £24.5 million but underlying profit fell 10 per cent to £2.4 million. Advertising revenue was up 10 per cent to £1.2 million, but overall by 2 per cent, to £1.4 million.



Storey satisfied

per cent in the North. Profits from newspaper publishing and retailing grew 13.5 per cent to £2.5 million. One of the Community's largest advertising agencies, the Community Advertising Agency, rose a 29 per cent to £0.8 million.

## BUSINESS ROUNDUP

### Waddington enjoys fruits of four years

FOUR years of investment and last year's rationalisation programme has left John Waddington, the packaging, printing and games group, in good shape to counter a recession that is affecting all its businesses, according to Martin Buckley, chief executive.

The investment programme of the last four years has positioned us to compete successfully in today's recessionary market. The benefits of capital investment and the savings emanating from last year's cost reduction programme have produced an encouraging increase in margins. As a result, pre-tax profits in the six months to October 3 rose from £6.6 million to £7.8 million, an 18 per cent increase achieved on sales slightly lower at £108 million. All three divisions reported increases in trading profits, with specialist printing showing the biggest rise, with an 11 per cent jump to £1.8 million. Trading profits from packaging rose 4.4 per cent to £5.7 million, while games saw a 5.3 per cent increase to £2 million. The interim dividend is unchanged at 3.6p.

### Plysu chief resigns

THE managing director of Plysu, a company which specialises in moulding plastic containers, has resigned over a difference of opinion over management style, according to the company's finance director. The resignation of Richard Gordon was announced yesterday in a company statement detailing the interim results for the six-month period to October 9. During the period, Plysu's pre-tax profits rose from £4.8 million to £5.8 million, and turnover increased from £35.7 million to £42.5 million. The company claimed it had maintained its leading position as suppliers of lightweight bottles to the dairy industry, a segment of the market that enjoys good demand growth despite the recession. Plysu said the results were helped by the performance of its Dutch operations. A new factory in Antwerp, Belgium, has started production and is forecast to become profitable before the end of the present financial year. The company is also planning to open a new factory in Bristol. In the interim period, earnings per share were up from 7.2p to 8.4p. The interim dividend has been raised from 1.65p to 2p.

### McLeod Russel rises

McLEOD Russel, the paint, textiles and property group, has reported a 17.4 per cent increase in annual pre-tax profits to £5.2 million, despite a modest drop in the income earned by the group's £14 million cash pile. Net interest receivable fell from £1.1 million to £1 million in the year to end-September. By contrast, operating profits at McLeod Russel rose 10 per cent to £3.6 million. Turnover advanced marginally to £43.4 million. The biggest contributor to the increase in profits was the £526,000 produced by the group's fixed investments, compared with only £35,000 in the previous year. However, the increase in investment income may not be maintained as it includes a one-off dividend of £480,000 from Moray Petroleum. At the trading level, Graysie Surface Coatings, the woods stains and lacquers business, reported a 26 per cent increase in pre-tax profits to £1.4 million on static turnover, while Kennedy Wagstaff, a manufacturer of textile machinery, returned to profit, contributing £250,000 to pre-tax profits compared with a £251,000 loss last year. A final dividend of 3.25p, up from 3.1p, makes a total of 6p, ahead from 5.85p.

### Staveley inches ahead

FALLING interest costs brought a £100,000 increase in Staveley Industries' pre-tax profits to £9.1 million in the six months to October 3, despite a £500,000 decline in operating profits to £9.2 million. The interim dividend of the minerals-to-engineering group is held at 2.3p. Earnings per share, however, fell to 6p from 6.3p because of a rights issue in July last year. Staveley has half the British salt market through its Cerebos and Saxa brands, and the company said the minerals division had been once again very consistent. Although Staveley's British Salt subsidiary saw slightly lower profits, this was entirely brought about by delays in introducing price increases that had been caused by negotiations with the Office of Fair Trading. Brian Kent, the Staveley chairman, said there had been a variable start to the year, with a resilient performance in Britain, despite the difficult economic conditions. "The second-half performance, while underpinned by a sizable order book, will still require very careful navigation through the changing economic scene ahead," he said. The shares fell 7p to 208p.

## What future for Europe?



Chaired by Brian Redhead, the forum will take place at the Institute of Education, 20 Bedford Way, London, WC1 on November 18 at 7.30pm.

## THE TIMES DILLONS EUROPEAN FORUM

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## BT figures dented by cost of staff cuts

By PATRICIA TEHAN

BT's pre-tax profits tumbled 36.2 per cent to £1.03 billion, in the half year to September 30. They were pulled down by the cost of shedding tens of thousands of jobs in one of British industry's largest redundancy programmes.

The cuts resulted in exceptional redundancy charges of £442 million, with an additional £133 million set against a restructuring provision established in 1990.

The number of people who left the company in the half year was 35,300, of whom 28,100 went under BT's Release 92 scheme. Another 3,000 are still to go under the scheme.

BT expects to make a net 36,000 reduction in staff numbers in the current year, taking the total down to 170,000. Another 30,000 jobs will go in the next two years.

The job cuts helped to reduce staff costs by 3.9 per cent in the half year and by 8.4 per cent in the second quarter.

Profits were also dented by a £135 million loss on the sale of BT's 51 per cent stake in Mitel, the Canadian telecoms equipment maker.

The underlying fall in profits for the half year was 0.9 per cent, but the second quarter saw a 3.7 per cent underlying increase. Turnover fell 1.5 per cent in the half year, to £6.53 billion, but rose 1 per cent in the second quarter, to £3.26 billion.

Iain Vallance, BT's chairman, said the first signs of improvement in the second

quarter had continued into the third, but he was "nervous about spotting gaps shoots one day and seeing them go the next".

Recession continued to hurt inland call revenues, which fell 1.1 per cent to £2.53 billion, while price cuts introduced in September last year reduced international call revenues by 5.2 per cent, to £889 million.

Earnings per share fell 42 per cent, to 10.1p, though BT said the fall would have been only 2.4p without the exceptional charges.

Second-quarter profits fell 45.1 per cent, to £431 million. Earnings per share for the second quarter were down from 8.5p to 4.5p. Despite the fall in profits, BT is lifting the interim dividend 7.9 per cent, from 5.7p to 6.15p.

Mr Vallance said BT continued to be restricted by economic, regulatory and competition influences. He hoped the US market would open up after BT's sale of its 20 per cent stake in McCaw, the US cellular operator, to AT&T, announced last week. If the sale went ahead as planned next year, he said, AT&T, an international operator, would have access to the local US phone business.

Analysts forecast a full-year profits fall but expect a further increase in the dividend. County NatWest predicts pre-tax profits of £2.64 billion, compared with £3.1 billion in the year to March 1992, and a dividend of 15.6p (14.4p).

Comment, page 29



On the map: Richard Gamble, above, chief executive of Royal Insurance, said the company's general UK operations had made a quarterly pre-tax profit for the first time since June 1990. The £16 million figure for the three months to September 30 compares with a £123 million loss last time. The stock market marked the

shares up 21p to 247p. Over the past two years, UK operations have been hit by a string of disasters, ranging from wind-storm damage to soaring theft claims and the collapse of the domestic property market.

All main classes of business achieved better results except for commercial property. Pre-tax losses in the UK for the first nine months were £57 million, against £227 million last year. The improvement was mainly due to a reduction in losses from domestic mortgage indemnity business from £173 million to £136 million. The UK account also benefited from better weather and lower subsidence losses.

## Boots marches on with a healthy increase in profits

By MARTIN WALLER, DEPUTY CITY EDITOR

BOOTS continued to weather the recession on the high street and outperform many of its rivals with an advance in pre-tax profits from £162.5 million to £187.8 million in the half year to end-September.

Sir James Blyth, chief executive, said a strong performance from Boots the Chemists, the retail chain, had sprung, in part, from a promotional campaign for holiday healthcare compounds and hay fever treatments in the summer, which sent sales of over-the-counter medicines ahead 11 per cent.

Shareholders are rewarded with a rise in the interim dividend from 4.3p to 4.6p.

The company's DIY operations, including AG Stanley and the Do It All joint venture with WH Smith, were badly affected by heavy discounting by rivals. Boots suffering a £4.9 million loss from the latter chain after profits of £4.2 million last time.

Sir James said: "Mainstream DIY is a market in considerable disarray. I think there has been a reduction in the level of discounting, but it

is still going on and it is still having a pretty damaging effect on the market."

Boots was cash-positive in the first half, when the business traditionally runs up cash. This and the conversion of a £113 million capital bonds issue cut net debt to £249 million at end-September (£462 million), and gearing to 15 per cent (37 per cent).

Manoplax, the heart compound, was still awaiting approval for use by the American authorities and would eventually be "hugely important" to the pharmaceuticals business throughout the 1990s, Sir James said. "We will be disappointed if we're not registered in the US before the end of the financial year."

He rejected a suggestion that Boots could then sell the drug. The company had said in the past that it was interested in buying parts of the healthcare business put up for sale by Fisons, another British pharmaceutical business. But Boots was no longer interested, Sir James said.

Times, page 28

## Notice to Customers National Savings Changes

### SAVINGS CERTIFICATES

National Savings Certificates of the 39th Issue and 5th Index-linked Issue were withdrawn from sale on 12 November 1992.

The 40th Issue will go on sale for new purchases on 7 December 1992. It will offer a guaranteed and tax-free return of 5.75% pa compound when held for five years. The minimum purchase will be £100 and the maximum holding £5,000.

The 6th Index-linked Issue will go on sale for new purchases on 7 December 1992. It will offer a guaranteed and tax-free return of 3.25% pa compound on top of index-linking when held for five years. The minimum purchase will be £100\* and the maximum holding £5,000.

From 13 November 1992 mature Savings Certificates (including Yearly Plan Certificates) can be reinvested into Reinvestment Certificates of the 40th Issue and 6th Index-linked Issue up to a maximum of £10,000 for each Issue. The minimum for a reinvestment is £25.

Reinvestment applications should be sent direct to National Savings Durham using form DNS 502 (available at post offices). A copy of the relevant prospectus will be sent with the new Certificates for applications received up to 7 December 1992.

From 7 December the prospectuses will be available at post offices.

### New General Extension Rate

Beginning on 1 December 1992 the variable rate of interest for National Savings Certificates (including Yearly Plan Certificates) earning the General Extension Rate will be 3.75% pa tax-free.

### YEARLY PLAN

The overall return on five-year Yearly Plan agreements is 5.75% pa compound, guaranteed and tax-free, for applications received from 13 November 1992.

### CAPITAL BONDS

Series F Capital Bonds were withdrawn from sale on 12 November 1992.

Series G will go on sale on 7 December 1992. It will offer a gross return of 7.75% pa compound, guaranteed when held for five years.

### FIRST OPTION BONDS

FIRST Option Bonds were withdrawn from sale on 12 November. New terms will be announced in due course.

### CHILDREN'S BONUS BONDS

Issue D Children's Bonus Bonds were withdrawn from sale on 12 November 1992.

Issue E will go on sale on 7 December 1992. It will offer a guaranteed and tax-free return of 7.85% pa compound when held for the first five years.

### INCOME BONDS

Beginning on 26 December 1992 the rate of interest payable on Income Bonds will go down from 8.0% pa gross to 7.0% pa.

(The same change will apply to Deposit Bonds — no longer on sale.)

### INVESTMENT ACCOUNT

Beginning on 26 November 1992 the rate of interest earned on the Investment Account will go down from 7.25% pa gross to 6.25% pa.

From 1 February the minimum for each deposit into an Investment Account, including the amount required to open an account, will be increased from £5 to £20.\*

### ORDINARY ACCOUNT

Beginning on 1 January 1993 the higher rate of interest earned on the Ordinary Account will go down from 5.0% pa gross to 3.75% pa. There is no change to the standard rate of 2.5% pa.

From 1 February the minimum for each deposit into an Ordinary Account, including the amount required to open an account, will be increased from £5 to £10.\*

### PREMIUM BONDS

Beginning on 1 March 1993 the rate of interest used to calculate the Premium Bond prize fund will go down from 6.5% pa to 5% pa. The odds against any £1 bond unit winning a prize in each draw will change from 11,000-1 to 15,000-1.

From 1 February the minimum purchase by parents, guardians or grandparents for children under 16 will be increased from £10 to £100.\*

\* Subject to Parliamentary procedures.

# NATIONAL SAVINGS

Issued by the Department for National Savings on behalf of the Treasury

## Investment boosts water firm

By OUR CITY STAFF

A WINDFALL: from a stock market investment fund helped Northumbrian Water increase profits by a quarter to £39.2 million for the six months to end-September.

During the half year, the company, cashed in a £49 million equity fund managed by Kleinwort Benson, which boosted its investment income. David Cranston, chief executive, said Northumbrian Water had made £2.3 million more than if the company had invested in gilts during the past two years. The extra funds permitted the company to raise its half-year dividend 10 per cent to 7.5p. Turnover increased 26 per cent to £124 million.

Despite the rise, Mr Cranston said the company was looking for ways to reduce its capital spending to compensate for the tough terms imposed on its pricing by Ofwat last month. Ofwat insisted that Northumbrian increase its prices 1 per cent less than the company had hoped.

Northumbrian also announced that Professor Sir Frederick Holliday, one of its non-executive directors and an environmental expert, would become chairman in July next year when Sir Michael Straker retires.

Times, page 28

## Bank writes down stake in GPA

By NEIL BENDITT  
BANKING CORRESPONDENT

THE Bank of Ireland has written down part of its stake in GPA Group, the aircraft leasing company, on the eve of the company's meeting with bankers in London to discuss a financial restructuring.

Maurice Keane, deputy chief executive, announced the provision as the bank reported a strong recovery in half-year profits. Irish Life, Ireland's largest life insurer, also holds a substantial stake in GPA and financial analysts expect it to make a £114 million (£12.8 million) writedown at the year end. Tony Ryan, chairman of GPA, held a 4.9 per cent stake in Bank of Ireland and had a seat on its board until July last year. The bank bought its 500,000 shares in GPA in 1988 for an estimated £18 million (£8.8 million). Analysts estimated that at least half the value of the stake had been written off.

Despite the provision, pre-tax profits at the bank recovered 71 per cent to £665.3 million in the six months to end-September as income rose a fifth to £1,409 million. The interim is held at £1.33p. The main improvement came from Ireland, where profits rose 15 per cent to £170.6 million. In Britain losses were almost halved to £15.3 million.

## FKI raises dividend after strategy pays off

By MATTHEW BOND

FKI, the engineering group, has increased its interim dividend 20 per cent after impressive halfway results indicated that a new management strategy introduced this year was already beginning to have an effect.

The interim dividend was raised from 1p to 1.2p after pre-tax profits for the six months to end-September jumped 18.5 per cent to £16 million. The increase in profits came despite a 10 per cent fall in sales to £332 million. About 500 jobs have been shed during the half year, reducing numbers to 12,500.

Jeff Whalley, chairman, was confident the strategy that began with the reorganisation of the group into five, international divisions — material handling, hardware, automotive, engineering and process control — was a success. It had already enabled the company to take advantage of its position as market leader in a number of markets.

Mr Whalley said: "These

are excellent results, which have been achieved during a period of widespread recession in our main markets in the UK and North America and reflect the good progress which has been made in this first half year since Bob Beeston [chief executive] joined us."

Three of the group's five divisions — material handling, hardware and engineering — reported higher profits in the half year, while automotive reported an operating profit of £218,000 compared with a £514,000 loss in the first half of the previous year. Process controls saw operating profits tumble 37 per cent to £3.7 million as demand for cutting tools and computer peripherals slumped. The problem was now being addressed, Mr Whalley said.

Strong positive cash-flow from the businesses cut net borrowings by £10 million to £50 million, to give a gearing ratio of about 20 per cent.

مكتبة الامم المتحدة



# Chancellor's Autumn Statement leaves share prices unmoved

General Corp.	70%	71%	Ohio Edison	21%	23%	Mason	76%	80%
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## ECONOMIC VIEW

## Answers to some forgotten prayers

City reaction to the Chancellor's package was, initially, much more subdued than the evident pleasure of industry. This is easy to explain. The one-point cut in interest rates had already been fully discounted; the many individual measures to help the construction industry, in particular, answered prayers that many lobbyists had been offering for years and no longer really expected to be answered. The measures split cleanly into short-term aid and long-term encouragement. Taking a generous view, the combination of the freeing of local authority capital funds, the mop-up of housing, maintenance of road spending and the go-ahead for the Jubilee Line inject about £3.5 billion straight away that the building and civil engineering industry could not have counted on.

In the long run, the potential changes are greater for those who survive the recession with sufficient resources. Unless the Treasury manages to reassert traditional controls in the meantime, the combination of easier rules for privately financed public infrastructure projects, the new welcome for joint private/public ventures and the rethink on leasing will open up the opportunities the industry has been presenting with increasing frustration for years. This is something of a double-edged sword. Some of the projects for which government will now contemplate joint ventures, have merely been given a lifeline rather than being axed from the government's future spending programme.

Use of leasing and joint ventures in combination potentially offer a sea change in the government's attitude to infrastructure projects, which previously reflected both traditional cautious accounting procedures and the distrust of Sir Alan Walters and others for anything that smacked of prestige public sector infrastructure projects by the back door. Indeed, the logic of these changes points towards an eventual reform of public sector accounting to make that separation of current spending from investment that helps economic management. For instance, in Japan, within a decade, they could make a bigger difference to Britain than the short-term measures on which the markets will deliver their verdict.

## Peak charge

Share analysts face the sort of challenge at BT that they will have to meet for the generality of big companies after the introduction of FR3, the accounting standard that aims to justify their existence. Profits fell by 36 per cent in the first half and even more steeply in the second quarter. Yet this was almost entirely due to redundancy payments above those previously allowed for, as well as the loss on selling out of the group's ill-starred venture into equipment via Mintel. The latter will be counteracted in the second half by the corresponding profit on selling BT's interest in McCaw.

Apart from these "exceptional" charges, BT managed to cut enough costs to absorb forced price cuts and a 1 per cent drop in domestic call volumes, while growth of international call volume kept up modestly well. Yet redundancy costs cannot be ignored. Under the harsh regime imposed on BT, it must rely on cost cutting to make any progress and this comes at a heavy cost to the company as well as to those who lose their jobs. Apart from redundancy, the extra pension costs of early retirement, combined with lower returns, will oblige the group to resume contributions to the pension scheme next year. With competitors given every encouragement to take part of its market share, BT therefore depends much more heavily on economic recovery than seems apparent.

### Anafale Kaletsky assesses the implications for Britain's economic recovery of yesterday's Autumn Statement and Treasury forecasts

Three phrases come immediately to mind in describing yesterday's Autumn Statement: half measures, half-hearted and half-baked.

The cut in interest rates was obviously a half measure. The single point reduction will probably not be enough to revive confidence among consumers and homeowners this side of Christmas. The markets will soon start speculating again that interest rates are heading even lower, to depression levels of 5 per cent or less. As a result, sterling could suffer further severe pressure. The government will then find itself trapped in a modified version of the vicious circle of ERM membership: investors will realise that rates must be lowered still further to spark a recovery; but the government will be too frightened to do this because of the pound.

"Half-hearted" seems the best way to describe the constructive, but small, investment measures announced yesterday. Abolishing car tax, raising investment allowances, buying up repossessed houses and allowing councils to spend a small proportion of their capital receipts are all well and good. But Mr Lamont should have taken these steps much earlier. He should have abolished car tax in his last budget instead of merely halving it. By now, demand has fallen so steeply across the economy that limited investment and housing incentives are unlikely to have much effect. The best evidence for this sceptical view comes from the Treasury's own forecasts. Even after these mildly supportive measures, the Treasury predicts zero growth next year in business fixed investment, 1 per cent growth in housebuilding (after this year's 12 per cent fall) and a rise of only 1.7 per cent in government capital spending, compared with this year's jump of 7 per cent.

Finally, the economic thinking behind the whole package appears half-baked. Mr Lamont's speech and the forecasts published alongside it by the Treasury revealed that government economic policy remains confused after the collapse of ERM membership on September 16.

Immediately after the ERM debacle, Mr Lamont said his aim would now be to secure sustained non-inflationary growth. A week later, the Treasury declared that reducing inflation had been reinstated as the sole aim of macroeconomic policy. Two weeks after that, the prime minister said the government's priority was "a policy for recovery and growth". The Treasury appeared to confirm this in

# The Chancellor demonstrates his talent for doing things by halves



Mr Lamont's Mansion House speech, admitting for the first time in more than a decade that sustaining demand was a key aim of monetary policy and arguing that inflation could be controlled through fiscal policy, instead of high interest rates.

Now, the Chancellor seems to have fallen prey again to traditional monetarist doubts. In justifying his trimming of interest rates yesterday, Mr Lamont only referred to monetary indicators and prospects for inflation. He did not mention the weakness of

the economy — and he pointedly noted that interest rates were cut "alongside" the tight public spending plans, not because of them. That may sound like semantics but it suggests the Treasury is mounting a rear-guard defence of the economic philosophy that caused both the present recession and the Lawson boom.

The economic forecasts published yesterday also revealed a Treasury almost unrepentant, as usual predicting that economic growth would begin in about six months. On this score, however, the mandarins could finally turn out to be right, despite the disappointingly weak measures announced in yesterday's Autumn Statement. In fact, they may even be insufficiently optimistic in forecasting that gross domestic product will grow by just 1 per cent next year, with a pickup through the year from an annualised rate of 0.9 per cent in the first half to 2.4 per cent in the second half. For people instinctively inclined to dismiss every Treasury prediction, there is one important consolation: if the Treasury proves right in its forecasts, it will be because its policies were totally wrong.

The economy now has a good chance of recovery because of the government's failure to defend the pound at DM2.95. A secondary reason is the U-turn in economic

policy-making announced by John Major in the midst of the pit closures fiasco, a policy change which the Chancellor seemed unaware of and which the Treasury, as evidenced by yesterday's statement, is still doing their best to deny.

The low pound, which could now fall even further as a result of the Chancellor's weak measures, will certainly help the manufacturing and export sectors. And with interest rates now down to 7 per cent, and further big falls almost certainly on the horizon if retail sales and housing fail to improve, some recovery in consumer spending will probably materialise by next year. But if the recovery really turns out to be as feeble as the Treasury suggests, even more questions will be raised about the handling of economic policy prior to the devaluation on September 16. If the economy only manages 1 per cent growth with interest rates at or below 7 per cent and the pound down to DM2.40, what would have happened had Mr Major won his poker game with the currency markets? The depth of the depression in Britain, if interest rates had remained at 10 per cent and the pound was still worth DM2.95, hardly bears thinking about.

There are likely to be other embarrassments for Treasury forecasters next year, even if their broad predictions of recovery are finally realised. For the shape of next year's economic growth will probably be quite different from the one predicted yesterday by Mr Lamont.

The Treasury has predicted, as usual, that recovery will be strongly supported by exports and will include an upturn in investment by the second half of next year. But an export-led recovery (the Treasury forecasts 5.5 per cent real export growth) is implausible for two reasons: Britain's main export markets are weak and getting weaker; and the lagged effects of the damage done to exports by ERM membership will probably run well into next year.

Investment, too, will eventually start to grow strongly in response to much lower interest rates and the low pound. But after the caning they have taken in the past two years, industrialists will want to see a clear upward trend in demand sustained for some time. As the Treasury has implicitly admitted, the investment measures announced yesterday will have no more than a marginal effect on capital spending.

Before investment-led growth is possible again in Britain, there will have to be a sharp improvement in consumer confidence and a turnaround in the housing market. Eventually both will happen, but Mr Lamont (or his successor) will have to do more than he did in yesterday's package. As usual, the Treasury's measures seem like too little, too late.

## TREASURY'S ECONOMIC FORECASTS

	1992	1993
Gross domestic product (average measure)	-1	1
Domestic demand of which:	0	1½
Consumers' expenditure	-4	1½
General government consumption	½	½
Fixed investment	-2	½
Change in stockbuilding (as % of GDP)	½	½
Export of goods and services	3½	5½
Imports of goods and services	6½	5½
Non-oil GDP	-1	1
Manufacturing output	-1	1
Current account (£ billion)	-12	-15½
Unemployment (millions)	2.8	2.9
Inflation		
RPI (excluding mortgages)	3½	3½
Producer output prices (4th qtr)	2½	4
GDP deflator at market prices (fin yr)	4½	2½
Money GDP at market prices (fin yr)	3½	4½
£ billion	601	629
PSBR (financial year)		
£ billion	37	44
% of GDP	6¼	7

% changes on previous year unless stated. \*Excluding food, drink and tobacco

## BUSINESS LETTERS

## Former Dan-Air crew no better off

From Capt. D. I. Gray-Fisk  
Sir, It was with interest and sympathy that I read Mrs Sheila Vince's letter "Unanswered question over Dan-Air" (November 4). But the "better redundancy terms than under receivership" to which she refers, and understandably believes to be indirectly funding as an ex-shareholder, will not be envied by most.

The majority of Dan-Air pilots, many of whom have completed 15-20 years service with the company, are imminently without a job. There is little prospect of finding another in today's market. Contrary to expectation, not to mention past practice, we have been told that we are to receive the statutory redundancy. This, for those who are unaware, amounts to around £205 per year of service. Thus a pilot of 15 years' standing will receive, by way of redundancy, a little over £3,000 — one of 20 years' just over £4,000 — during such time having safely conveyed innu-

merable passengers in aircraft worth millions of pounds, many of us with the responsibility of command.

Had the company gone into receivership these figures would have been identical. The only advantage of the present situation is that we may, we hope, be recompensed slightly earlier for our loyalty. British Airways paid £1 for Dan-Air, in return for accepting its outstanding liabilities. These do not amount, inasmuch as they involve redundancy payments to the pilots, to a great deal. There are few winners, but many losers, in this takeover. Numerous Dan-Air pilots, whose employment terminates on November 6, were shareholders too. We fervently believed in our company. So, no doubt, did Mrs Vince. Yours faithfully, CAPTAIN D. I. GRAY-FISK, "Lotos", Beeches Drive, The Avenue, Farnham Common, Buckinghamshire.

## Unit holders can affect investment decisions

From Mr Leslie Clements  
Sir, I read the letter from Mr D.H.A. Tufnell (November 6) whilst travelling to the NM Conscience Fund unit holders meeting.

The NM Conscience Fund is an ethical fund which has provided investors with consistently good performance whilst also giving them the opportunity to meet the fund managers on a yearly basis.

Investments are governed by a published Charter of Conscience and, at the meeting, investors are invited to contribute views on companies held in the fund and suggestions for new holdings. Suggestions are actively followed up and are crucial to investment decisions. The meetings are extremely lively, as you would expect, and undoubtedly in-

crease the accountability of our unit trust managers. Yours faithfully, LESLIE CLEMENTS, Marketing Manager, NM Financial Management, Enterprise House, Isambard Brunel Road, Portsmouth.

## Christopher Jonas

THE feature, "Economy must not be buried under the ruins of plummeting property" in yesterday's Business News was written jointly by Christopher Jonas, the president of the Royal Institution of Chartered Surveyors, and Douglas McWilliams and not by Mr McWilliams alone, as stated. We apologise to both authors for the error.

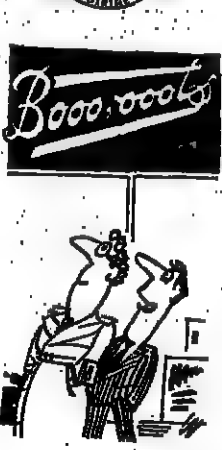
## THE TIMES CITY DIARY

## Stepping out to Stopped Out

THE secret is now out. Nigel Munt, an assistant director at Sharps Pixley, the bullion dealing firm, and known, somewhat inevitably, as "Goldfinger", was once the bass guitarist in the seventies rock band Mud. Keen to recapture his youth, Munt, 43, has helped to form a new band, which is as yet nameless, and which will perform at several parties in the bullion market this Christmas. His fellow musicians include Les Edgar, managing director of Sharps Pixley, Alan Baker, his deputy managing director and also vice-chairman of the London Bullion Market Association, Daryl Shinneman, an options trader from Morgan Stanley, and two vocalists from TFS, the rival bullion dealing firm. The band's repertoire is likely to include Mud's big hit *Tigerfoot* and favourites from the late 50s and early 60s. "We are looking for a name for the group and would welcome suggestions," says colleague John Coley, who is effectively acting as publicity agent. "In view of the perilous state of the gold price one possibility is *Stopped Out*." *Stopped Out* is a reference to the expression used when prices have fallen sufficiently for stop-loss programmes to be activated. Given that the gold price has fallen from \$859 an ounce in 1980 to \$330 an ounce now, it might indeed be an apt name.

## Hello special

A NEW series of business documentaries on Channel 4, billed somewhat implausibly



"Profits up again I notice"

as the successor to City favourite *Business Daily*, will begin on Sunday at 5.15pm with a programme entitled *Hello, Hello*. The inaugural programme will examine the success of *Hello* magazine, which sells 450,000 copies a week in the UK, and will focus on the management techniques used by its Spanish owner Eduardo Sanchez Junco, techniques typical of a family-run firm. The programme will also be a first for its producer, Nick Ward, who was a media analyst at Smith New Court until September. Ward, 39, is to become a director of the production company Ecosse Films which is making the series, totalling 21 programmes which will be shown between now and early April. "They are 40-minute documentaries and we will broadcast seven before Christmas and 14 afterwards, with the series continuing next autumn. The idea is that the programmes should have a broader appeal than *Business Daily*, so people who are not normally interested in business might start to watch."

## Balfour declares

AMID accusations that it is losing its grip on the diamond market, and with a critical book — *Studded with Diamonds, Paved with Gold* — that has just been published, rather oddly linking it with the creation of the South African apartheid system, De Beers could wish for no more loyal defender than Lord Balfour, the diamond expert. Balfour, 67, yesterday launched the second edition of his book *Famous Diamonds at De Beers* offices in Holborn, London. Balfour, who was introduced to the diamond business post-Oxford by Sir Ernest Oppenheimer, father of Harry, staunchly defended De Beers' position. "I haven't heard about the new book," he admits, adding that criticism of De Beers was misplaced. "They've always been five years ahead of any other company in employment and race relations. The trouble is, success is often attacked by sources." Balfour also denies that De Beers relations with Russia are deteriorating. "They've always been good." Indeed his own book is being translated into Russian. An enthusiastic composer, he has, he reveals, requested payment from the Russians not in rubles but by way of the complete works of Shostakovich instead. "I've written five operas myself, some of which the BBC liked," says Balfour. He adds that he would still like to write an opera on Balzac and avant garde composers like Janacek seem to be his favourites. "I can't think of anything I'd like better than the works of Shostakovich," he declares.

CAROL LEONARD

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New York (midday):		FTSE Euro 100: 1059.91 (+14.75)	
Dow Jones	3240.33 (same)	Brussels:	
S&P Composite	422.10 (+0.10)	General	\$578.53 (+30.41)
Tokyo:		Paris: CAC	4780.06 (+5.81)
Nikkei Ave	10376.93 (+58.78)	Zurich: SICA Gen	409.6 (+2.1)
Hong Kong:		London:	
Hang Seng	6447.11 (+25.08)	FT A-B Share	1291.80 (+13.67)
Amsterdam:		FT 500	1431.54 (+16.06)
CBS Tendency	105.0 (+1.2)	FT Gold Mines	67.5 (+0.47)
Sydney: AO	1375.3 (+19.2)	FT 1000 Interest	110.14 (+0.17)
Frankfurt:		FT Govt Bond	95.34 (+0.20)
DAX	1559.37 (+25.16)	Bargains	31219
		SEAQ Volume	7235.4m
		USN (Estimate)	115.62 (+0.1)

TRADITIONAL OPTIONS			
First Dealings	Second Dealings	Last Declaration	For Settlement
November 9	November 20	February 11	February 22

Call options were taken out on 12/11/92: Aiden Home, ASDA, Avonco, Barcon, City of Oxford, Garmore Valley, Moorson, NSM, Raters, Rhino, Rols Royce, Scot Hylin, Scot Power, Teknisys, Venzys, Wals Aiden Home, Barcon, NSM, Wickham, Venzys.

1000

LONDON FINANCIAL FUTURES					
	Period	Open	High	Low	Close Volume
<b>FT-SE 100</b>					
Previous open interest: 44913	Dec 92	2729.0	2765.0	2726.0	2745.0 190
	Mar 93	2735.0	2766.0	2754.0	2764.0 95
<b>Three Month Sterling</b>					
Previous open interest: 239407	Dec 92	93.48	93.94	93.31	94.10 250
	Mar 93	94.04	94.44	93.94	94.30 120
	Jun 93	94.21	94.29	94.10	94.29 52
<b>Three Mth Eurodollar</b>					
Previous open interest: 26650	Dec 92	96.25	96.27	96.23	96.24 81
	Mar 93	96.23	96.33	96.23	96.30 47
<b>Three Mth Euro DM</b>					
Previous open interest: 434730	Dec 92	91.09	91.23	91.04	91.34 373
	Mar 93	92.38	92.42	92.35	92.41 100
<b>US Treasury Bond</b>					
Previous open interest: 1519	Dec 92	102.26	102.27	102.14	102.18 10
	Mar 93	101.25	101.23	101.12	101.23 10
<b>Long Gill</b>					
Previous open interest: 59023	Dec 92	101.19	102.12	101.24	101.23 2948
	Mar 93	101.19	102.12	101.24	101.23 2948
<b>Japanese Govt Bond</b>					
Previous open interest: 10817	Dec 92	108.07	108.17	108.07	108.13 21
	Mar 93	107.56	107.64	107.56	107.63 72
<b>German Govt Bond</b>					
Previous open interest: 181266	Dec 92	91.48	91.56	91.41	91.46 3888
	Mar 93	91.96	91.96	91.83	91.86 94
<b>Three month EC2</b>					
Previous open interest: 12345	Dec 92	91.50	91.56	91.25	91.33 68
	Mar 93	91.30	91.32	91.21	91.41 41
<b>Euro Swiss Franc</b>					
Previous open interest: 42010	Dec 92	93.24	93.30	93.14	93.26 66
	Mar 93	93.91	93.93	93.78	93.85 122
<b>Italian Govt Bond</b>					
Previous open interest: 10501	Dec 92	94.90	95.45	94.90	95.11 1123
	Mar 93	94.90	95.45	94.90	95.11 1123

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MONEY MARKETS				
Exchange Index compared with 1985 was down at 77.8 (day's range 77.78-78.0).				
STERLING SPOT AND FORWARD RATES				
Major Rates for Nov 12	Range	Close	1 month	3 month
Australia	2.7118-2.7195	2.7146-2.7195	1-1/4	1-1/4
Brussels	49.52-49.70	49.60-49.70	2-8/32	16-3/32
Copenhagen	2.0790-2.0790	2.0790-2.0790	2 1/2	16-3/32
Dublin	0.9090-0.9120	0.9090-0.9120	53-3/32	168-1/32
Frankfurt	2.4150-2.4169	2.4151-2.4163	1-1/8	1-1/8
Geneva	2.142-2.1478	2.1425-2.1478	200-2/32	67-3/32
Madrid	172.34-173.53	172.60-173.53	8-1/8	31-1/32
Paris	206.50-207.33	206.50-207.33	10-1/8	31-1/32
Montreal	1.9179-1.9242	1.9224-1.9245	0.10-0.04	0.14-0.08
New York	1.5200-1.5285	1.5251-1.5255	0.03-0.52	1.25-1.20
Osaka	1.9140-1.9140	1.9140-1.9140	1-1/8	1-1/8
Paris	8.1340-8.2080	8.1940-8.2080	1-1/8	1-1/8
Stockholm	1.1100-1.1150	1.1100-1.1150	1-1/8	1-1/8
Tokyo	188.28-189.48	188.28-189.48	1-1/8	1-1/8
Venezia	16.93-17.02	16.97-17.02	1-1/8	1-1/8
Zurich	2.1743-2.1835	2.1752-2.1835	1-1/8	1-1/8
Source: Reuters			Premium - 1/4; Discount - 1/4	
OTHER STERLING				
Argentine peso	1.5238-1.5264			
DOLLARS/POTENTIAL				
Australia			1.444-1.445	

## 115

	Cattle			Pigs			Cattle			Pigs		
	Jan	Feb	Jul	Jan	Feb	Jul	Jan	Feb	Jul	Jan	Feb	Jul
421 Lym.	500	64	75	17	25	37						
422 SDA	650	23	37	49	42	50	63					
423 SDA	45	43	84	11	34	8						
424 SDA	500	55	64	75	12	18	27					
425 SDA	400	55	64	75	12	18	27					
426 SDA	440	40	50	60	10	16	22					
427 SDA	400	16	29	40	28	36	46					
428 SDA	400	16	29	40	28	36	46					
429 SDA	400	16	29	40	28	36	46					
430 SDA	400	12	20	30	21	31	41					
431 SDA	300	39	43	48	2	3	6					
432 SDA	300	39	43	48	2	3	6					
433 SDA	400	11	16	21	12	17	22					
434 SDA	300	27	31	35	12	17	22					
435 SDA	240	7	9	13	12	17	22					
436 SDA	350	30	48	60	31	39	52					
437 SDA	650	46	58	64	14	29	36					
438 SDA	600	20	30	41	39	56	63					
439 SDA	600	20	30	41	39	56	63					
440 SDA	550	12	23	34	35	60	67					
441 SDA	390	20	27	29	19	32	35					
442 SDA	390	20	27	29	19	32	35					
443 SDA	390	35	42	48	18	21	27					
444 SDA	390	35	42	48	18	21	27					
445 SDA	800	105	130	21	47	82						
446 SDA	1050	54	70	85	41	72	82					
447 SDA	1100	54	70	85	41	72	82					
448 SDA	550	17	24	36	40	105	113					
449 SDA	600	15	26	40	45	55	66					
450 SDA	160	15	26	40	45	55	66					
451 SDA	173	13	19	24	14	14	14					
452 SDA	330	38	47	50	3	10	18					
453 SDA	420	16	23	31	41	22	31					
454 SDA	420	16	23	31	41	22	31					
455 SDA	330	17	26	28	14	13	24					
456 SDA	460	40	50	57	10	15	23					
457 SDA	460	40	50	57	10	15	23					
458 SDA	500	60	66	73	5	10	16					
459 SDA	550	23	29	37	32	36	41					
460 SDA	550	23	29	37	32	36	41					
461 SDA	550	18	30	43	41	41	47					
462 SDA	550	18	30	43	41	41	47					
463 SDA	160	16	22	27	16	16	16					
464 SDA	160	16	22	27	16	16	16					
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565 SDA	160	16	22	27	16	16	16					
566 SDA	160	16	22	27	16	16	16					
56												

<p>             1. <i>Chlorophyll a</i> (mg/g dry weight)              2. <i>Chlorophyll b</i> (mg/g dry weight)              3. <i>Chlorophyll a + b</i> (mg/g dry weight)              4. <i>Carotenoids</i> (mg/g dry weight)              5. <i>Protein</i> (mg/g dry weight)              6. <i>Starch</i> (mg/g dry weight)              7. <i>Cellulose</i> (mg/g dry weight)              8. <i>Hemicellulose</i> (mg/g dry weight)              9. <i>Lignin</i> (mg/g dry weight)              10. <i>Phenolics</i> (mg/g dry weight)              11. <i>Flavonoids</i> (mg/g dry weight)              12. <i>Anthracenes</i> (mg/g dry weight)              13. <i>Terpenes</i> (mg/g dry weight)              14. <i>Alkaloids</i> (mg/g dry weight)              15. <i>Saponins</i> (mg/g dry weight)              16. <i>Glycosides</i> (mg/g dry weight)              17. <i>Enzymes</i> (mg/g dry weight)              18. <i>Acids</i> (mg/g dry weight)              19. <i>Alcohols</i> (mg/g dry weight)              20. <i>Esters</i> (mg/g dry weight)              21. <i>Phenols</i> (mg/g dry weight)              22. <i>Aldehydes</i> (mg/g dry weight)              23. <i>Ketones</i> (mg/g dry weight)              24. <i>Amino acids</i> (mg/g dry weight)              25. <i>Nucleic acids</i> (mg/g dry weight)              26. <i>Polysaccharides</i> (mg/g dry weight)              27. <i>Monosaccharides</i> (mg/g dry weight)              28. <i>Disaccharides</i> (mg/g dry weight)              29. <i>Trisaccharides</i> (mg/g dry weight)              30. <i>Tetrasaccharides</i> (mg/g dry weight)              31. <i>Pentasaccharides</i> (mg/g dry weight)              32. <i>Hexasaccharides</i> (mg/g dry weight)              33. <i>Heptasaccharides</i> (mg/g dry weight)              34. <i>Octasaccharides</i> (mg/g dry weight)              35. <i>Nonasaccharides</i> (mg/g dry weight)              36. <i>Decasaccharides</i> (mg/g dry weight)              37. <i>Undecasaccharides</i> (mg/g dry weight)              38. <i>Dodecasaccharides</i> (mg/g dry weight)              39. <i>Tridecasaccharides</i> (mg/g dry weight)              40. <i>Tetradecasaccharides</i> (mg/g dry weight)              41. <i>Pentadecasaccharides</i> (mg/g dry weight)              42. <i>Hexadecasaccharides</i> (mg/g dry weight)              43. <i>Heptadecasaccharides</i> (mg/g dry weight)              44. <i>Octadecasaccharides</i> (mg/g dry weight)              45. <i>Nonadecasaccharides</i> (mg/g dry weight)              46. <i>Eicosasaccharides</i> (mg/g dry weight)              47. <i>Tricosaccharides</i> (mg/g dry weight)              48. <i>Tetracosaccharides</i> (mg/g dry weight)              49. <i>Pentacosaccharides</i> (mg/g dry weight)              50. <i>Hexacosaccharides</i> (mg/g dry weight)              51. <i>Heptacosaccharides</i> (mg/g dry weight)              52. <i>Octacosaccharides</i> (mg/g dry weight)              53. <i>Nonacosaccharides</i> (mg/g dry weight)              54. <i>Eicacosaccharides</i> (mg/g dry weight)              55. <i>Tricacosaccharides</i> (mg/g dry weight)              56. <i>Tetracosaccharides</i> (mg/g dry weight)              57. <i>Pentacosaccharides</i> (mg/g dry weight)              58. <i>Hexacosaccharides</i> (mg/g dry weight)              59. <i>Heptacosaccharides</i> (mg/g dry weight)              60. <i>Octacosaccharides</i> (mg/g dry weight)              61. <i>Nonacosaccharides</i> (mg/g dry weight)              62. <i>Eicacosaccharides</i> (mg/g dry weight)              63. <i>Tricacosaccharides</i> (mg/g dry weight)              64. <i>Tetracosaccharides</i> (mg/g dry weight)              65. <i>Pentacosaccharides</i> (mg/g dry weight)              66. <i>Hexacosaccharides</i> (mg/g dry weight)              67. <i>Heptacosaccharides</i> (mg/g dry weight)              68. <i>Octacosaccharides</i> (mg/g dry weight)              69. <i>Nonacosaccharides</i> (mg/g dry weight)              70. <i>Eicacosaccharides</i> (mg/g dry weight)              71. <i>Tricacosaccharides</i> (mg/g dry weight)              72. <i>Tetracosaccharides</i> (mg/g dry weight)              73. <i>Pentacosaccharides</i> (mg/g dry weight)              74. <i>Hexacosaccharides</i> (mg/g dry weight)              75. <i>Heptacosaccharides</i> (mg/g dry weight)              76. <i>Octacosaccharides</i> (mg/g dry weight)              77. <i>Nonacosaccharides</i> (mg/g dry weight)              78. <i>Eicacosaccharides</i> (mg/g dry weight)              79. <i>Tricacosaccharides</i> (mg/g dry weight)              80. <i>Tetracosaccharides</i> (mg/g dry weight)              81. <i>Pentacosaccharides</i> (mg/g dry weight)              82. <i>Hexacosaccharides</i> (mg/g dry weight)              83. <i>Heptacosaccharides</i> (mg/g dry weight)              84. <i>Octacosaccharides</i> (mg/g dry weight)              85. <i>Nonacosaccharides</i> (mg/g dry weight)              86. <i>Eicacosaccharides</i> (mg/g dry weight)              87. <i>Tricacosaccharides</i> (mg/g dry weight)              88. <i>Tetracosaccharides</i> (mg/g dry weight)              89. <i>Pentacosaccharides</i> (mg/g dry weight)              90. <i>Hexacosaccharides</i> (mg/g dry weight)              91. <i>Heptacosaccharides</i> (mg/g dry weight)              92. <i>Octacosaccharides</i> (mg/g dry weight)              93. <i>Nonacosaccharides</i> (mg/g dry weight)              94. <i>Eicacosaccharides</i> (mg/g dry weight)              95. <i>Tricacosaccharides</i> (mg/g dry weight)              96. <i>Tetracosaccharides</i> (mg/g dry weight)              97. <i>Pentacosaccharides</i> (mg/g dry weight)              98. <i>Hexacosaccharides</i> (mg/g dry weight)              99. <i>Heptacosaccharides</i> (mg/g dry weight)              100. <i>Octacosaccharides</i> (mg/g dry weight)              101. <i>Nonacosaccharides</i> (mg/g dry weight)              102. <i>Eicacosaccharides</i> (mg/g dry weight)              103. <i>Tricacosaccharides</i> (mg/g dry weight)              104. <i>Tetracosaccharides</i> (mg/g dry weight)              105. <i>Pentacosaccharides</i> (mg/g dry weight)              106. <i>Hexacosaccharides</i> (mg/g dry weight)              107. <i>Heptacosaccharides</i> (mg/g dry weight)              108. <i>Octacosaccharides</i> (mg/g dry weight)              109. <i>Nonacosaccharides</i> (mg/g dry weight)              110. <i>Eicacosaccharides</i> (mg/g dry weight)              111. <i>Tricacosaccharides</i> (mg/g dry weight)              112. <i>Tetracosaccharides</i> (mg/g dry weight)              113. <i>Pentacosaccharides</i> (mg/g dry weight)              114. <i>Hexacosaccharides</i> (mg/g dry weight)              115. <i>Heptacosaccharides</i> (mg/g dry weight)              116. <i>Octacosaccharides</i> (mg/g dry weight)              117. <i>Nonacosaccharides</i> (mg/g dry weight)              118. <i>Eicacosaccharides</i> (mg/g dry weight)              119. <i>Tricacosaccharides</i> (mg/g dry weight)              120. <i>Tetracosaccharides</i> (mg/g dry weight)              121. <i>Pentacosaccharides</i> (mg/g dry weight)              122. <i>Hexacosaccharides</i> (mg/g dry weight)              123. <i>Heptacosaccharides</i> (mg/g dry weight)              124. <i>Octacosaccharides</i> (mg/g dry weight)              125. <i>Nonacosaccharides</i> (mg/g dry weight)              126. <i>Eicacosaccharides</i> (mg/g dry weight)              127. <i>Tricacosaccharides</i> (mg/g dry weight)              128. <i>Tetracosaccharides</i> (mg/g dry weight)              129. <i>Pentacosaccharides</i> (mg/g dry weight)              130. <i>Hexacosaccharides</i> (mg/g dry weight)              131. <i>Heptacosaccharides</i> (mg/g dry weight)              132. <i>Octacosaccharides</i> (mg/g dry weight)              133. <i>Nonacosaccharides</i> (mg/g dry weight)              134. <i>Eicacosaccharides</i> (mg/g dry weight)              135. <i>Tricacosaccharides</i> (mg/g dry weight)              136. <i>Tetracosaccharides</i> (mg/g dry weight)              137. <i>Pentacosaccharides</i> (mg/g dry weight)              138. <i>Hexacosaccharides</i> (mg/g dry weight)              139. <i>Heptacosaccharides</i> (mg/g dry weight)              140. <i>Octacosaccharides</i> (mg/g dry weight)              141. <i>Nonacosaccharides</i> (mg/g dry weight)              142. <i>Eicacosaccharides</i> (mg/g dry weight)              143. <i>Tricacosaccharides</i> (mg/g dry weight)              144. <i>Tetracosaccharides</i> (mg/g dry weight)              145. <i>Pentacosaccharides</i> (mg/g dry weight)              146. <i>Hexacosaccharides</i> (mg/g dry weight)              147. <i>Heptacosaccharides</i> (mg/g dry weight)              148. <i>Octacosaccharides</i> (mg/g dry weight)              149. <i>Nonacosaccharides</i> (mg/g dry weight)              150. <i>Eicacosaccharides</i> (mg/g dry weight)              151. <i>Tricacosaccharides</i> (mg/g dry weight)              152. <i>Tetracosaccharides</i> (mg/g dry weight)              153. <i>Pentacosaccharides</i> (mg/g dry weight)              154. <i>Hexacosaccharides</i> (mg/g dry weight)              155. <i>Heptacosaccharides</i> (mg/g dry weight)              156. <i>Octacosaccharides</i> (mg/g dry weight)              157. <i>Nonacosaccharides</i> (mg/g dry weight)              158. <i>Eicacosaccharides</i> (mg/g dry weight)              159. <i>Tricacosaccharides</i> (mg/g dry weight)              160. <i>Tetracosaccharides</i> (mg/g dry weight)              161. <i>Pentacosaccharides</i> (mg/g dry weight)              162. <i>Hexacosaccharides</i></p>
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[illegible]

## COMMODITIES

<p>stance to reach a new nine          even market while cocoa          is but still easier. Volume          was away which left the          nights at both ends were          easy easier.</p>				<p>ICIS-LOR (London 6.00pm): News that Iran          wanted to talk to the UN, presumably about          sanctions, took crude oil prices lower.</p>			
<p><b>CRUDE OILS (Sheltered FOB)</b></p>				<p><b>PRODUCTS (GMT)</b></p>			
<p>Brent Physical 19.20 -0.25          Brent 15 day (Dec) 18.62 -0.23          Brent 15 day (Jan) 19.23 -0.25          W Texas Intermediate (Dec) 20.23 -0.35          W Texas Intermediate (Jan) 20.35 -0.30</p>				<p>Spot CIF NW Europe (medium delivery)          Premium Gas. 15 ... Bid: 299 (+/-) Offer: 210 (+/-)          CMC CMC 186 (+/-) 189 (+/-)          Non SEC 114 Dec 186 (+/-) 189 (+/-)          Non SEC 114 Jan 182 (-) 194 (-)          3.3 Fuel Oil 191 (-) 193 (-)          Naphtha 191 (-) 193 (-)</p>			
<p><b>LIQ. PETROLEUM</b></p>				<p><b>TYPE FUTURES</b></p>			
<p><b>LIQ. PETROLEUM</b></p>				<p><b>GAS OIL</b></p>			
<p>Nov ... 132.15          Jan ... 130.60          Mar ... 133.40          May ... 135.90          Sep ... 137.80          Volume 184</p>				<p>Nov ... 184.50-50.75          Dec ... 181.50-81.75          Jan ... 177.00-78.00          Apr ... 184.10</p>			
<p><b>HI-PRO SOYA</b></p>				<p><b>BRENT (6.00pm)</b></p>			
<p>Dec ... 143.30          Feb ... 145.30          Apr ... 146.30          Jun ... 147.30          Aug ... 142.00          Volume 0</p>				<p>Dec ... 19.24-19.26          Jan ... 19.30-19.31          Feb ... 19.35-19.33          Apr ... 19.35-19.33          Volume 29550</p>			
<p><b>POTATO</b></p>				<p><b>UNLEADED GASOLINE</b></p>			
<p>6 1/4 ... Open ... Close ...          Mar ... 63.5 ... 64.0          Apr ... 63.5 ... 64.0          May ... 63.0 ... 64.0          Volume 141</p>				<p>Nov ... 19.67-19.75          Dec ... 19.67-19.75          Jan ... 19.65-19.70          Feb ... 19.70-19.80          Apr ... 19.70-19.75          Volume 506</p>			
<p><b>RUBBER</b></p>				<p><b>BIFFER</b></p>			
<p>No 1 RSS CR (p/s)          Dec ... 63.75-63.25</p>				<p>High 1240 Low 1232 Close 1241          Dec 92 1251 1250 1256          Jan 93 1251 1250 1256          Apr 93 1251 1250 1256          Vol: 127 lots. Open Int: 3369. Index 1172.4</p>			
<p><b>COMMODITIES</b></p>				<p><b>LONDON METAL EXCHANGE</b></p>			
<p>(Official) (Volume per day)</p>				<p>Radcof Value</p>			
<p>Copper: Dec 4 (p/s) ...          Lead: Dec 4 (p/s) ...          Zinc: Sep HI Dec (p/s) ...          Tin (p/s) ...          Aluminium: HI Dec (p/s) ...</p>				<p>Dec 4 (1000-1140) 3mth: 1424.0-1425.0          294.00-299.50          1028.0-1029.0          3790.0-3800.0          1460.0-1470.0</p>			

Australia dollar	2.1985-2.2016
Bahrain dirar	0.571-0.580
Brazil cruzeiro <sup>a</sup>	13219.5-13242.4

Cyprus pound	0.7122-0.7123	Denmark	6.09-6.10
Portugal mteira	9.7355-9.7355	France	5.5625-5.5675
Greece drachma	3.121-3.121.5	Germany	1.89-1.87
Hong Kong dollar	11.7704-11.7798	Hong Kong	7.731-7.732
India rupee	12.96-13.62	Ireland	1.669-1.674
Kuwait dinar KD	0.4515-0.4583	Italy	1360.0-1362.0
Malaysia ringgit	3.8412-3.8454	Japan	123.83-123.84
Mexico peso	2.25-2.274	Nepal	2.52-2.574
New Zealand dollar	2.9555-3.9121	Netherlands	1.7835-1.9121
South Arabia yemen	5.6985-5.7735	Norway	6.47-6.48
Singapore dollar	3.121-3.121.5	Portugal	140.95-141.03
S Africa rand (fin)	7.0439-7.0727	Singapore	1.627-1.638
S Africa rand (com)	4.5401-4.5462	Spain	113.5-113.51
U.S.A dollars	5.9025-5.9035	Sweden	5.9025-5.9035
Barclays Bank GTS x Lyons Bank		Switzerland	1.433-1.434

BANK RATES PA			
Base Rates Clearing Bank 7	Finance House 13		
Discount Market Loans Overnight High 9	Low 5	Weak Discr 7	
Treasury Bills (Delibuy) 2 mth 6 1/2	3 mth 6 1/2	6 mth 1 mth 6 1/2	3 mth 6 1/2

BANK RATES PA				
Prime Bank Bills (Dist)	1 mth	3 mth	6 mth	12 mth
Swissling Money Rates	7 1/2%	7 1/2%	7 1/2%	6 1/2%
Interbanks	7 1/2%	7 1/2%	7 1/2%	6 1/2%
Overnight open 10, close 5				
Local Authority Depos	7 1/2%	n/a	7	6 1/2%
Sterling CDs	7 1/2%	7 1/2%	3 1/2%	6 1/2%
French Francs	3.121-3.121.5	n/a	3.49-3.48	3.47-3.46
Swissling Swissy CDs	7 1/2%	7 1/2%	7 1/2%	6 1/2%

ECG's Fixed Rate Sterling Deposit Plans. Make-up day: Oct 30, 1992 Agreed rates Oct 1, 1992 to Dec 25, 1992 Scheme I: 9.77% Schemes II & III: 9.63% Reference rate Oct 1, 1992 to Oct 30, 1992 Scheme IV & V: 8.54%

EUROPEAN MONETARY DEPOSITS PA					
Currency	7 day	1 mth	3 mth	6 mth	Call
Dollar:	3 1/2%	3 1/2%	3 1/2%	3 1/2%	3 1/2%
Deutschmark:	6 1/2%	6 1/2%	6 1/2%	6 1/2%	9 1/2%
French Franc:	6 1/2%	6 1/2%	6 1/2%	6 1/2%	10 1/2%
Swiss Franc:	6 1/2%	6 1/2%	6 1/2%	6 1/2%	4 1/2%
Yen:	3 1/2%	3 1/2%	3 1/2%	3 1/2%	4 1/2%

GOLD AND PRECIOUS METALS					
Bullion: Open	\$332.40-\$332.80	Close	\$332.80-\$333.30	High	\$332.90-\$333.40
Low	\$332.50-\$332.55	Konigsberg	\$332.90-\$334.00	\$332.75-\$332.75	
Sovereigns	£60 \$79.50-£60.50	\$250 (\$20.00)	New \$79.50-£60.50	\$250 (\$20.00)	



## Portfolio Plus

From your Portfolio Plus card check your share prices every morning on this page. Add them up to give you your own total. And check this against the daily dividend figure. If it matches you have won. If you win, follow the claim procedure on the back of your card. Always have your card available when claiming. Game rules appear on the back of your card.

No.	Company	Group	Gain or Loss
1	Sainsbury J	Food	1.00
2	Harrods	Food	1.00
3	Woolworths	Food	1.00
4	Woolson (C)	Food	1.00
5	Woolson (C)	Food	1.00
6	Woolson (C)	Food	1.00
7	Woolson (C)	Food	1.00
8	Woolson (C)	Food	1.00
9	Woolson (C)	Food	1.00
10	Woolson (C)	Food	1.00
11	Woolson (C)	Food	1.00
12	Woolson (C)	Food	1.00
13	Woolson (C)	Food	1.00
14	Woolson (C)	Food	1.00
15	Woolson (C)	Food	1.00
16	Woolson (C)	Food	1.00
17	Woolson (C)	Food	1.00
18	Woolson (C)	Food	1.00
19	Woolson (C)	Food	1.00
20	Woolson (C)	Food	1.00
21	Woolson (C)	Food	1.00
22	Woolson (C)	Food	1.00
23	Woolson (C)	Food	1.00
24	Woolson (C)	Food	1.00
25	Woolson (C)	Food	1.00
26	Woolson (C)	Food	1.00
27	Woolson (C)	Food	1.00
28	Woolson (C)	Food	1.00
29	Woolson (C)	Food	1.00
30	Woolson (C)	Food	1.00
31	Woolson (C)	Food	1.00
32	Woolson (C)	Food	1.00
33	Woolson (C)	Food	1.00
34	Woolson (C)	Food	1.00
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36	Woolson (C)	Food	1.00
37	Woolson (C)	Food	1.00
38	Woolson (C)	Food	1.00
39	Woolson (C)	Food	1.00
40	Woolson (C)	Food	1.00
41	Woolson (C)	Food	1.00
42	Woolson (C)	Food	1.00
43	Woolson (C)	Food	1.00
44	Woolson (C)	Food	1.00
45	Woolson (C)	Food	1.00
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51	Woolson (C)	Food	1.00
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53	Woolson (C)	Food	1.00
54	Woolson (C)	Food	1.00
55	Woolson (C)	Food	1.00
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57	Woolson (C)	Food	1.00
58	Woolson (C)	Food	1.00
59	Woolson (C)	Food	1.00
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62	Woolson (C)	Food	1.00
63	Woolson (C)	Food	1.00
64	Woolson (C)	Food	1.00
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67	Woolson (C)	Food	1.00
68	Woolson (C)	Food	1.00
69	Woolson (C)	Food	1.00
70	Woolson (C)	Food	1.00
71	Woolson (C)	Food	1.00
72	Woolson (C)	Food	1.00
73	Woolson (C)	Food	1.00
74	Woolson (C)	Food	1.00
75	Woolson (C)	Food	1.00
76	Woolson (C)	Food	1.00
77	Woolson (C)	Food	1.00
78	Woolson (C)	Food	1.00
79	Woolson (C)	Food	1.00
80	Woolson (C)	Food	1.00
81	Woolson (C)	Food	1.00
82	Woolson (C)	Food	1.00
83	Woolson (C)	Food	1.00
84	Woolson (C)	Food	1.00
85	Woolson (C)	Food	1.00
86	Woolson (C)	Food	1.00
87	Woolson (C)	Food	1.00
88	Woolson (C)	Food	1.00
89	Woolson (C)	Food	1.00
90	Woolson (C)	Food	1.00
91	Woolson (C)	Food	1.00
92	Woolson (C)	Food	1.00
93	Woolson (C)	Food	1.00
94	Woolson (C)	Food	1.00
95	Woolson (C)	Food	1.00
96	Woolson (C)	Food	1.00
97	Woolson (C)	Food	1.00
98	Woolson (C)	Food	1.00
99	Woolson (C)	Food	1.00
100	Woolson (C)	Food	1.00

## E1,000 MATCH THE SHARES

If you have ticked off your eight shares in our Match The Shares game today, claim your prize by telephoning 0254-53227 between 10.00am and 5.00pm (see the Sunday Times for full details).

The winner of yesterday's Portfolio Plus prize of £2,000 was Mr J Goulton of Desford, Leicestershire.

## BANKS, DISCOUNT, HP

1992	High	Low	Company	Price	Net	Yld	P/E
1	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
2	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
3	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
4	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
5	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
6	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
7	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
8	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
9	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
10	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
11	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
12	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
13	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
14	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
15	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
16	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
17	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
18	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
19	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
20	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
21	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
22	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
23	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
24	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
25	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
26	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
27	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
28	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
29	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
30	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
31	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
32	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
33	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
34	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
35	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
36	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
37	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
38	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
39	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
40	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
41	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
42	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
43	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
44	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
45	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
46	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
47	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
48	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
49	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
50	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
51	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
52	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
53	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
54	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
55	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
56	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
57	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
58	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
59	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
60	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
61	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
62	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
63	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
64	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
65	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
66	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
67	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
68	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
69	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
70	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
71	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
72	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
73	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
74	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
75	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
76	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
77	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
78	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
79	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
80	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
81	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
82	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
83	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
84	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
85	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
86	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
87	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
88	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
89	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
90	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
91	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
92	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
93	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
94	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
95	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
96	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
97	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
98	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
99	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00
100	1.00	0.98	Barclays Bank	1.00	0.98	1.00	1.00

## BREWERIES

526	Alimi-Ayres	606	+0	20.0	4.2	18.0	2.0
528	Almco	590	+0	18.0	4.0	16.0	2.0
530	Almco	590	+0	18.0	4.0	16.0	2.0
532	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
534	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
536	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
538	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
540	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
542	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
544	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
546	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
548	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
550	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
552	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
554	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
556	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
558	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
560	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
562	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
564	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
566	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
568	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
570	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
572	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
574	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
576	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
578	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
580	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
582	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
584	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
586	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
588	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
590	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
592	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
594	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
596	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
598	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
600	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
602	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
604	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
606	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
608	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
610	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
612	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
614	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
616	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
618	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
620	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
622	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
624	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
626	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
628	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
630	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
632	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
634	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
636	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
638	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
640	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
642	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
644	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
646	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
648	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
650	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
652	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
654	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
656	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
658	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
660	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
662	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
664	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
666	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
668	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
670	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
672	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
674	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
676	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
678	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
680	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
682	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
684	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
686	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
688	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
690	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
692	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
694	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
696	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
698	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
700	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
702	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
704	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
706	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
708	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
710	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
712	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
714	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
716	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
718	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
720	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
722	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
724	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
726	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
728	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
730	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
732	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
734	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
736	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
738	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
740	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
742	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
744	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
746	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
748	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
750	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
752	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
754	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
756	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
758	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
760	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
762	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
764	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
766	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
768	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
770	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
772	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
774	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
776	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
778	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
780	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
782	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
784	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
786	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
788	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
790	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
792	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
794	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
796	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
798	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
800	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
802	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
804	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
806	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
808	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
810	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
812	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
814	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
816	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
818	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
820	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
822	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
824	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
826	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
828	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
830	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
832	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
834	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
836	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
838	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
840	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
842	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
844	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
846	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
848	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
850	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
852	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
854	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
856	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
858	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
860	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
862	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
864	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
866	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
868	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
870	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
872	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
874	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
876	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0
878	Bulfinch (E)	337	+0	18.0	4.0	16.0	2.0</







## INFOTECH

Super-powerful workstations dominate some new computer launches, Matthew May writes

## Voices in the machine

Some serious attempts at one-upmanship were on display this week as three of the computer industry's best known companies announced some of the new products and plans with which they hope to convince recession-strapped customers that what will be on offer in 1993 is just too good to turn down.

As usual in the field of technology, virtually all computer manufacturers can honestly claim that their new machines are more powerful and/or cheaper than their predecessors.

To the manufacturer, the only remaining problem, it seems, is to convince prospective customers that their particular products are the best at offering more for less.

On Tuesday, for example, Digital Equipment, announced a line of seven computers based on a new chip developed in-house, the success of which is crucial to the future of a company that is second only to IBM in size.

The models range from a £12,400 desktop workstation to a £225,000 mainframe. Digital even asked CERN, the European particle physics laboratory in Geneva, to conduct tests on their speed, which shows, says Digital, that even its most basic new desktop has a performance "equivalent to that of top-of-the-range supercomputers".

Analysts say the claim had better be at least partly true given the time and expense the company put into developing its own alpha chip at a time when much cheaper mass-produced chips are increasing in power all the time.

"It's super critical," says Marc Schulman, head of Technology Strategies, a market research firm

in Stamford, Connecticut. "Very clearly, alpha-based systems have got to sell well for Digital to have any kind of significant recovery."

Digital lost \$260 million in its last quarter, and does not expect to get back in the black until mid-1993. The company, based in Maynard outside Boston, had a huge success in the 1980s with the Vax range of computers, which had the advantage — unlike many other ranges — of letting customers link small and large, new and old models of the computers together.

But as the rest of the industry realised that customers were demanding this sort of flexibility, Digital's influence waned, particularly as it consistently ignored the powerful role that personal computers were starting to play.

Competition with the new range will be fierce, particularly over work-



Extra-powerful: DEC's new workstation

stations. These extra-powerful desktop computers were once thought to be of interest mainly for number-crunching or because they offer the high-resolution graphics needed for scientific and technical work. With prices falling, manufacturers are hoping they will be able to interest the business world in putting them into widespread use. It was more than coincidence that two of Digital's chief rivals in workstations — Hewlett Packard and Sun Microsystems — also chose Tuesday to announce new product ranges for next year which are also based on high-performance chips. Prices for a basic colour workstation start at around \$4,000. Each claims to outperform its competitors in either price or power, while HP is offering special discounts for some existing Sun or Digital workstation users who may



wish to "upgrade" to HP. All this means that next year workstations will be on offer for little more than a desktop personal computer with a few bells and whistles.

While there is still a huge market for workstations in specialist uses from networking to high-resolution graphics, the manufacturers hope to convince companies that workstations will soon be cheap enough for ordinary office tasks.

The power of PCs will also be increasing, with most of IBM's models soon expected to switch to Intel's 486 or similar IBM-developed chips. The less powerful 386 chip will accordingly be relegated to portables or machines aimed at the education market.

Because Intel currently has an effective monopoly on the production of the 486 chip — unlike its less powerful but popular 386 — it is more than keen to get manufacturers to adopt it for standard use and give it at least a temporary respite from competitors.

Yet the power of the 486 chip, let alone a workstation, was only recently being referred to as of interest mainly to businesses with particularly hefty personal computing tasks or those needing networked systems. So even if it is on

offer at previously unheard of prices, how will businesses be convinced that standard office tasks need all this extra power? Video and sound, particularly speech recognition, are two of the answers suggested.

Convince customers that they need to store and retrieve large quantities of video information on a personal computer screen — either internally or via the telephone — and they are likely to need more powerful machines.

This week IBM said it will team up with the American broadcaster NBC to test a "news on demand" system next year which enables people to call up videotaped news reports, updated every hour, and view them on a personal computer. It will not be available for home use, but will be aimed at the kind of customer who may want to access videos of such things as stock-market summaries, internally produced training films or corporate announcements, as well as news.

At the Comdex show in Las Vegas next week, IBM is expected to announce a workstation and two personal computers which will accept some spoken commands. The workstation will be able to analyse a group of words so that the

difference between words that sound alike, such as "I" and "eye", can be established. It can also be trained to recognise different voices, which could allow it to limit computer access to certain users as a security precaution.

The lower power of PCs, however, means that they will not offer general speech recognition. A similar product, the Windows sound system by Microsoft, is due on sale in Britain later this month. Costing £200, this can be used with any personal computer that has a 386 chip or better, and comes with audio card, headphones and microphone.

Such systems use voice recognition only to replace some of the most frequently used keyboard commands, such as "open file" or "edit copy". They can also include other features, such as speech synthesis, which enables the computer to "read back" numbers inserted in, say, a spreadsheet, so that users can check them against another document.

Affordable and truly voice-activated computers, which will take a letter and recognise continuous speech, are still some years away, but cheaper workstations will bring them at least one step closer.

## Going to law on the command

Software companies are fighting over the 'artistic' element in their programs

The personal computer industry is known as a worldwide cradle of innovation, but it is also a highly lucrative market for copyright and patent lawyers. A number of heavyweight lawsuits are under way in the United States, pitting the industry's spirit of free-wheeling creativity against sometimes outdated copyright and patent laws.

In recent years almost all of the large personal computer software companies have been involved in legal actions to protect copyright — often against one another.

One of the key issues in intellectual property law is the difference between "functionality" — what a computer program actually does — and "expression" — how it is made to do the job. Copyright determination often turns on a decision of whether creativity and artistic judgment are inherent in an expression.

For example, a dozen companies may produce word-processing software offering roughly the same functions, although each will be designed to express and control those functions differently.

The difficulty comes when common sense or convention dictates the use in more than one software developer's package of commands such as "print" and "save", with the symbols representing the functions looking similar and perhaps being put in the same place on the screen.

A judge then has to decide whether or not artistic judgment was used in deciding the name of the commands and their places on the screen, or whether the author was merely following an industry standard or convention.

The most public of these cases was the action by Apple Computer against Microsoft for alleged infringement of an agreement between the two allowing Microsoft to produce software to make IBM-compatible PCs run more like Apple's Macintosh.

Most of Apple's claims have now been thrown out by the court and the case is near settlement, but the

costs of the lengthy litigation have run into tens of millions of dollars.

Similarly, California-based Borland International has been locked in a long and complex legal battle with Lotus Development for several years over the design of Borland's command structure in its Quattro spreadsheet. Lotus claims this is a close copy of the command system for its 1-2-3 spreadsheet. Borland argues that being allowed to copyright the words used in a pull-down menu is absurd.

Unfortunately for Borland, the judge in the case recently ruled that the content of the menus in Lotus 1-2-3 could indeed be copyrighted, and that Borland had violated this copyright. He will decide later this month what penalties to impose.

In a move designed to fend off punitive measures, Borland has removed the disputed menus from its current software.

But the company's founder and chief executive, Philippe Kahn, says he is convinced that the whole future of the American industry rests on the outcome of such cases. He claims that overzealous interpretation of copyright law applying to computer software will force programmers to re-

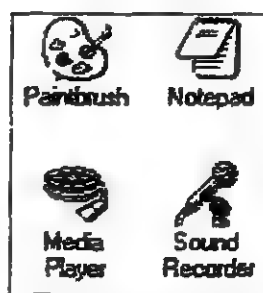
invent the wheel every time they want to incorporate a standard command line.

"The interests of this industry would be far better served if all the money spent on litigation were spent instead on research and development," he says.

But according to John Dodge, news editor of the American trade magazine PC Week, most recent events have discouraged software companies from launching copyright suits against one another. "The amount of litigation should now decline, because Microsoft has basically prevailed in its lawsuit with Apple," he says.

"To capture an idea and not let anyone else have access to it has always been viewed as inhibiting innovation."

GEOFF WHEELWRIGHT



On the menu: are these symbols original art?

Is Britain about to lose its lead in surgical robots to the United States?

## Your life in their claws

News that American researchers performed a hip replacement operation last weekend using a computer-controlled robot assistant has been greeted with dismay in Britain.

While American researchers were briefing journalists earlier this week on a machine they have dubbed "Robodoc" and with it a surgical procedure they claim to be a world first, British researchers were in Dublin giving details of similar robot-assisted operations carried out nearly two years ago in London.

A robot developed by Imperial College, University of London, assisted in five prostate gland operations under the supervision of Anthony Timoney, Mr Timoney, a fellow of the Institute of Urology in London and now at the Royal Surrey County hospital at Guildford, said that the pilot operations had been a success.

Where the researchers have not been successful is in securing funding to take the pioneering project further.

The robotic device, which carries a cutter and six sensors linked to a camera and operating theatre display screen, has been unable to attract industrial backers and is awaiting a decision on a third application for funding from the Science and Engineering Research Council.

The council had expressed concern over the use of a robot on human patients, which the



Remote control: US doctors using a robot in surgery

researchers have tried to allay in their latest proposal.

"We are at risk of losing a significant lead," said Mr Timoney who has been working with Brian Davies of Imperial College's centre for robotics.

While the British researchers struggle to keep their project alive, William Bargar, an orthopaedic surgeon, who helped develop the American machine, said it had "worked perfectly".

The unidentified patient, a 64-year-old man, received his hip replacement on Saturday at Sutter general hospital in Sacramento, California, and took his first steps on Monday. Dr Bargar said the operation, ten of which have been approved by the US Food and

Drug Administration, could pave the way for the use of robots in knee replacements, ligament surgery and even brain surgery.

At the heart of the device is a robotic drill attached to a mechanical arm, which drills holes with greater precision than human hands, allowing implants to be in place without bone cements.

During the 30-minute operation to drill the hole, the team had the ability to pause the machine and cut the power. At each step, Robodoc's on-board computer asked the surgeon to verify its actions.

Its development follows tests on dogs. In May 1990, a ten-year-old sheepdog called Snook had a hip replaced using the device.

At the time, Dr Howard Paul, a veterinary surgeon at the University of California in Davis and Dr Bargar's co-worker, said: "We are able to program Robodoc with the exact dimensions of the prosthesis so that we get a perfect match with the bone. That is impossible to do manually".

Before operations are carried out, pins are put in a patient's leg to act as reference points for the robot. A computer scan is then made, with three-dimensional images fed into a computer to aid the robot's work.

Like Mr Timoney and Mr Davies, the American team emphasises that robots will not replace human surgeons but will be used as mechanical aids only.

Researchers believe, however, that apart from the precision possible with such devices, there could be other real advantages.

Relative to its population, Britain has the fewest surgeons specialising in prostate-gland treatment in Europe, and one in three men over 40 will require prostate surgery at some time.

Tests indicate that a robot, supervised by a human surgeon, could cut theatre time from an hour to five minutes and extend the working lives of surgeons, many of whom develop shaking hands in their fifties that force them to retire.

NICK NUTTALL

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HEWLETT  
PACKARD

## Old virus is dying

A DAY like today used to send shudders through computer users across the world. But the Friday 13th virus that could once cause serious problems is very nearly dead and buried. Increased awareness of the dangers posed by viruses and improved counter-measures have largely killed the elderly virus.

"In the last few years, on Friday 13th, the only people who have phoned us are

journalists," said Edward Wilding, editor of the Virus Bulletin newsletter.

## Research boost

ACADEMICS in Britain have acquired a powerful new colleague able to send 1,000 million bits of information a second — 1,000 times faster than Janet — their former research assistant. Super Janet, an advanced communications network, should open up the possibility of medical students watching a live operation by a leading surgeon many miles away.

## Fly spy

THE FBI has expanded its investigation of computer hackers suspected of having broken into a computer system at the aerospace giant Boeing. The agency says it has discovered similar infiltrations of the US District Court computer records in Seattle and at another government agency.

## Write stuff

THE change of power at the White House could boost sales of a product called Write

Your Congressman. It contains up-to-date profiles of 535 US senators and representatives, including fax numbers, as well as congressional committee assignments, information on the president, vice president and Supreme Court justices.

Sold by Contract Software of Carrollton, Texas, the \$40 package also includes word-processing software for writing letters, addressing envelopes, making mailing labels and producing documents to be sent by personal computers that have fax boards. So far, no company is known to be planning Write (to) your MP.

مكتبة الأمل



## BASQUE COUNTRY

The political autonomy granted since the death of the dictator Franco has undermined support for terrorism. Peter Strafford reports

# An end to terror is in sight

Terrorism is steadily declining in the Basque Country, or Euskadi, as the Basques call it. The bombs of Euzkadi Ta Askatasuna (ETA), the extreme nationalist organisation committed to Basque independence, continue to kill and injure people, but they are doing so less often, and the belief among political and business leaders is that violence will play a diminishing role in Basque and Spanish life.

An important factor in this is the close co-operation that has been established between the Spanish and French police. There are now Spanish police working across the border in the French Basque Country, and that has deprived ETA of the refuge it used to have there.

Several leading members of the organisation have been arrested in France, with damaging effects for its operational effectiveness.

More telling in the long run is the evolution of attitudes in the Basque population as a whole. Active support for terrorism has only ever come from a minority, at least since the death of General Franco in 1975 and the subsequent introduction of democracy to Spain. But there have always been many Basques who felt so strongly about independence that they were prepared to condone ETA's methods. In the last regional election, in 1990, Herri Batasuna (HB), the party that gives ETA political support, won 18 per cent of the vote.

Attitudes have been changing, however. Revulsion at the deaths caused by ETA bombs has grown, and big protest demonstrations have been held. There has been greater readiness to speak out against terror tactics, without fear of the consequences, while businessmen have increasingly resisted demands from ETA for a "revolutionary tax".

"Terrorism has been politically defeated," says José Antonio Ardanza, the lehendakari, or premier, of the autonomous government of the Basque Country. "Three, four or five years ago there



Better red... the local police, with their distinctive berets

was a fear of publicly attacking ETA, in the media, for example, but that has disappeared. The democratic political parties adopted a common position in a pact rejecting violence four years ago, and society has now made this rejection its own.

"It is certainly true that terrorists can still commit atrocities, and there remains a nucleus of voters who support them. But it is beginning to be seen that a voter for Herri Batasuna who was once proud of doing so now wants to hide the fact."

"He or she is conscious that it is not a sign of progress, or revolution, or of the defence of ideals."

None of this means that the ETA threat has been eliminated or, more generally, that the sensitive issue of the Basques' place within, or outside, Spain has been resolved. Most Basques believe they are different from the rest of Spain, and all the Basque nationalist parties agree that their ultimate objective is

independence. Between them, they received almost two-thirds of the votes in the 1990 election.

The situation has been fundamentally transformed, however, by the adoption of the principle of regional autonomy in Spain in the years after Franco's death, and in particular after the granting in 1979 of a statute of autonomy to the Basque Country — comprising the three provinces of Vizcaya, Guipúzcoa and Alava, although not neighbouring Navarre, which nationalists also consider to be Basque, but which has a separate statute.

The Basque Country has its own autonomous government, now a coalition of the Partido Nacionalista Vasco (PNV), the Partido Socialista de Euzkadi (PSE) and Euzkadiko Ezkerra (EE), and though this has its internal differences, because the PSE is a national Spanish party with close links to the Spanish socialist party (PSOE), this has given the region political stability.

The region has its economic and cultural centre in Bilbao (Bilbo in Basque), the principal city of Vizcaya, and its political capital in Vitoria (Gasteiz), the main city in upland Alava. The third important centre is San Sebastián, the coastal resort the Basques call Donostia.

The government follows a policy of reviving and promoting the Basque language.

Like Navarre, the Basque Country has more powers of its own than the other Spanish regions, and this has gone some way to satisfying the more moderate nationalists. The region sets and collects its own taxes, sending an agreed percentage on to Madrid, and has its own police, the Euzkadi, with their distinctive red berets.

Even so, Señor Ardanza complains bitterly that the government in Madrid has not granted all the powers provided for in the statute of autonomy, and Xabier Arzalluz, the



Changing story: there is growing revulsion at the deaths caused by ETA and greater readiness to speak out against the terrorist group

leader of the PNV, the largest party in the Basque Country, to which Señor Ardanza also belongs, says that autonomy is only a phase on the road to independence, which the party accepted "ayuntamiento", or as suitable for the circumstances of the time.

There is widespread criticism of Madrid for its lavish expenditure this year on Expo '92, the world fair in Seville, the Olympic Games in Barcelona and other events commemorating the 500th anniversary of Christopher Columbus's discovery of the New World. None of this spending went to the Basque Country, and Señor Ardanza says that it was "barbarous" to spend so much when Spain did not have the resources to spare.

Señor Ardanza says Madrid also has responsibilities in the Basque Country for airports, ports and railways. How, he asks, is it now going to meet those obligations when it has already spent so much elsewhere, and at a time of recession? The Madrid government has behaved imprudently, he says, and taken risks, given the nationalist feelings in the Basque Country.

The indications are, however, that independence has become more of a general rallying cry, whose implications are often not examined, and which would be widely opposed, than a specific policy. The pact signed in 1989 by all the democratic nationalist parties was an important step, because though they still stated independence to be their ultimate goal, they agreed to work for it by constitutional means.

Another factor is developments in the rest of Europe. Like other Spaniards, the Basques strongly support the principle of political and economic union in the European Community, and they have a particular reason for their attitude. They believe that as the EC becomes more united, greater powers will be devolved to the regions, including the Basque Country.

Señor Arzalluz talks of "independence in Europe", and of a situation in which the Basques' six tra-

ditional regions, now divided between Spain and France, would have a status of their own, separate from, and on a par with, Spain and France. With the disappearance of frontiers, he says, and the adoption of one currency and a common defence policy, old notions of national sovereignty will no longer be relevant.

The biggest immediate preoccupation is the economy, which is suffering, like that of other regions and countries, from the world recession. The Basque Country has been industrialised since the last century, when strong, and lasting, links were developed between Bilbao and Britain. In recent years, however, its traditional heavy industry, especially steel and shipbuilding, has gone into decline, and the situation is critical today, with high unemployment.

There is nevertheless confidence that the region will pull through. Señor Ardanza says that it survived a worse crisis in the early 1980s,

and is in a stronger position today. Patrick de la Sola, president of the Chamber of Commerce of Bilbao, points to the Basques' industrial culture, and the fact that though some of the big companies are in trouble, there are others, particularly among the medium-size and smaller firms, that are fully competitive.

Much must depend on outside perceptions of the Basque Country, because the view that the region is in the grip of terrorism is a deterrent to the foreign investment which is needed. So business leaders draw confidence from the fact that ETA's grip has loosened, and indications that in ETA itself there are differences over continuing the terror campaign: while political parties are manoeuvring to attract voters who have voted for HB in the past, but may now oppose terrorist methods.

"For years," says Professor Javier Corcuera of the University of the Basque Country, in Bilbao, "we did not know how or when terrorism would end. Now we know that it will end, although we still do not know when or how".

## Criticism of Madrid is still widespread

## The region is confident that it will pull through

# Language that refuses to die

## Ethnic pride is providing new support for an ancient tongue

The Basque language is a very old one, almost certainly the oldest surviving in Europe. Peter Strafford writes. Only the most tenuous links have been made with languages elsewhere, and the assumption is that it has been spoken since prehistoric times in what are now northern Spain and southwest France. The Basques went on speaking their own language as Celts, Romans, Visigoths, Franks and Arabs in turn dominated the area.

Over the past century, knowledge of the language, known either as Euskara or Euskera depending on the area, has shrunk, partly as a result of immigration as the Basque-speaking areas have become industrialised and less remote. A further blow was dealt by General Franco who, after his victory in 1939 in the Spanish Civil War, tried to stamp out the language altogether.

Today, in the three provinces of the Basque Country, Vizcaya, Guipúzcoa and Alava, barely 25 per cent of the population understand and speak the language well, while in Navarre, also considered by nationalists to be Basque, the figure is only 10 per cent.

The language is still very much alive, however, and since the Basque Country was granted its statute of autonomy in 1979, the regional government has set out to reverse the decline. The language is now in use everywhere, as is the once-banned Basque flag. Basque is taught extensively in the schools, and efforts are under way to make its use general in the various public services.

There is Basque-language radio and a Basque-language television channel, ETB 1, in Durango. In Bilbao, the Academy of the Basque Language, started in 1919, has set out to establish rules for a unified language, in place of the differing versions spoken in Spain and France.

The government is still some way from its objective of making Basque the language of everyday use, and there has been resistance from those, often not of Basque origin, who see no reason to stop speaking Spanish. One of the



Signposts to a culture: notices in Spanish and Basque point the way in central Bilbao

most sensitive issues is the level of knowledge of Basque that should be required of public-service employees in areas where little Basque is spoken. There is already, though, greater knowledge of the language among children of school age, and many adults have been keen to learn it.

Maria Karmen Garmendia, the government's secretary general for language policy, acknowledges that Basque is a difficult language to learn — unlike Catalan, for instance, with its close links to Spanish — but says that many people find it rewarding to know Spanish and Basque.

In the schools, pupils have three options: A, in which teaching is in Spanish, but time is spent learning Basque; B, in which the two languages are used more or less equally, often with cultural subjects in Basque and scientific ones in Spanish; and D (there is no C in Basque), in which teaching is in Basque, and Spanish is

taught separately. Alongside the publicly run schools there are also the ikastolas, the schools first set up in resistance to Franco as a way of preserving the language, where option D is offered.

The system has caught on, says Fernando Buesa, the councillor in charge of education in the government, and there has been an increase in those opting for B and D.

There are marked differences, however, between the three provinces, with the greatest number of Basque-speakers in Guipúzcoa, where 90 per cent opt for B and D, and the smallest number in Alava, where 50 per cent opt for A. In Vizcaya, pupils are almost equally divided among the three options.

Alava is the southernmost of the three provinces, with the greatest exposure to Spanish, and resistance to learning Basque has been strongest there. The Union Alavesa, a small right-of-centre party, has

campaigning against the regional government's policies and has focused on the requirements for recruitment to the public services. Preference is given to Basque-speakers, and the party complains that this is unfair at a time of high unemployment.

There are also differences of emphasis within the government coalition. As a nationalist party, the Partido Nacionalista Vasco (PNV), the dominant partner, sees the language as central to the national identity and something that should draw the Basques together.

The other main party, the Partido Socialista de Euzkadi (PSE), takes a less urgent view and Señor Buesa, a member of the PSE, argues for not trying to move so fast. The party is in favour of promoting the use of the language, he says, but it believes that personal choice must be respected, and Basque cannot be imposed.

Revival of the language is a long-term process. It is not possible to go to 100 per cent knowledge in a generation.



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# The search for outside investors

The Basque Country was one of the first regions in Spain to industrialise and for a long time was one of the most prosperous. It was, however, largely dependent on medium to large industry, and in recent years it has been struggling with the need to restructure such industries as steel and shipbuilding, which had become uncompetitive.

The region has also set out to attract more foreign investors. In the past, it generated most of its own investment capital, unlike Catalonia, for instance. However, the Basque Country now needs outside investment if it is to rebuild its economy and to be competitive in the European Community's single market.

Its efforts have not been helped by the bad image created by Euzkadi Ta Askatasuna (ETA), the terrorist organisation. The situation has been improved, however, by the successful police actions against ETA this year, both in France and in Spain, which have put the entire leadership behind bars.

The Basque Country also has advantages to offer its industrial tradition, which has given it a trained workforce, and its distinctive tax system. By virtue of its status of autonomy, the region collects its own taxes and passes on an agreed proportion to Madrid. With Navarre, it is one of only two Spanish regions to have this right.

"This is no tax haven, but there is something different about the tax situation in Euzkadi [the Basque Country]," says Jon Larrañaga, coun-

**Huge building programmes are bringing the region back to life, says Harry Debelius**

sellor for the company, planning and the environment. "The inland revenue office is closer. There is an advantage in that. You can talk with key tax officials quickly and face to face, and work out solutions to problems that you might not have been able to solve if you had to deal with a distant personal office."

In the last few years, the Basque

**The area's advantages are its industrial tradition and tax system**

authorities have laid great emphasis on Europe '93, a far-reaching plan set in motion four years ago, in co-operation with the central government in Madrid, whose aim is to prepare the region for the EC's single market by modernising its infrastructure. Most of the objectives have now been achieved.

They include extensive road-building, at a cost of 40 billion pesetas (£233 million); the construction of dams and waterworks, 28.2 billion pesetas (£165 million); local

railway improvements, 10.6 billion pesetas (£62 million); combined freight depots, 10.1 billion pesetas (£58 million); communications networks, 8.3 billion pesetas (£49 million); and a gas distribution network, 9.1 billion pesetas (£53 million).

A number of the Europa '93 projects, particularly among those that were to have been funded by the Madrid government alone, remain unfinished and in some cases unstated. Improvements to airports and the construction of high-speed railway lines in the Basque Country have had to wait.

A project to expand the port at Bilbao is under way, however, with the port authority handling the financing, and a new underground railway for the city, begun under earlier programmes, is due to be finished by 1995.

One of the projects the regional government would most like to see started is the "Basque Y", a high-speed railway line which would give the three principal Basque cities, Bilbao, Vitoria and San Sebastián, a new trade route to the rest of Europe.

One arm of the "Y" would run from the French border to the south-west, passing through San Sebastián and continuing to Vitoria. The other would intersect with it somewhere north of Vitoria and reach northwest to Bilbao. At some future time the line could be extended south from Vitoria as far as Madrid, where it would link up with the recently completed Madrid-Seville high-speed line.



Right lines: two citizens looking at the progress of work on an underground railway for Bilbao, due to be finished by 1995

The Basque government has already drawn up extensive plans and scale models. According to financial sources, it may undertake the "Y" alone if the central government, which was to have paid for it, continues to drag its feet.

Recent years have been difficult for the region, and the situation has still not improved. Firms were obliged to lay off tens of thousands of workers in the late 1970s and early 1980s as a recession set in. In 1986 the unemployment rate rose

to 24 per cent. In 1989, a restructuring plan came into effect, by which steel production was to be reduced and limited to special steels, while most shipbuilding in the Basque Country was to cease. The plan called for successive

reductions of jobs at the big plants, and this process is continuing. Today, however, the unemployment rate is less than 19 per cent which, while still high, is no longer significantly higher than the rate for the whole of Spain.

Probably the most intriguing success story in the history of modern Basque industry and sociology is that of Mondragón. There is a steady stream of visitors, both scholarly and merely curious, to the town in a wooded valley south-east of Bilbao where it all started.

Here in 1956, five students, inspired by the egalitarian philosophy of a local priest, formed a small cooperative company to manufacture paraffin stoves. The group grew and the idea prospered as one cooperative after another was formed, each dedicated to the production of a certain product or type of product.

As time went on, some of the cooperatives agreed to act

## Co-operating for success

A company founded by students is the market leader

jointly. The biggest of those aggregations of cooperatives became known as Fagor. That word is now a brand name, familiar to housewives in Britain and to the inhabitants of scores of other countries where the company's cookers and home appliances are sold. Fagor is the market leader in home appliances in Spain.

With a staff of 23,600 and nearly a hundred member companies with 1991 sales of the industrial and distribu-

tion divisions topping 372.5 billion pesetas (£2.2 billion), the cooperatives took a big step towards unity and co-operation of scale last December by forming the Mondragón Cooperative Corporation and organising it into eight divisions: finance, capital goods, automotive components, household appliance components, industrial components and services, construction, home appliances and kitchen furniture, and food and distribution.

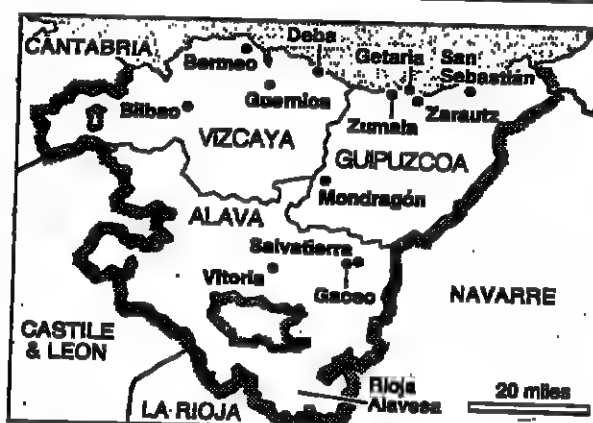
About half the executives of the corporation came from Fagor. As always, a sweepstake vote was worth exactly as much as an executive's when it came to deciding on the reorganisation.

Originally all workers were co-owners, but now a small percentage are employees rather than members of the cooperative. Anyone accepted as a member has to buy his job, since the assets are jointly held. The current price, provided there is a job

available and members of the cooperative accept the candidate, is about 1.3 million pesetas (£8,000).

Among surprising features of the long-standing Mondragón experiment is its easy association with capitalism. It has its own bank and its own pension funds. It is affiliated to a private capital-investment company, Fio.

The corporation's diversified output includes consumer products, industrial and automotive components and engineering and capital equipment. Last year it stimulated the sluggish market



for machine-tools and machine-tool automation systems by opening several offices in the Far East, where demand continued firm. The group

also built a plant in Thailand for the assembly of discrete semiconductors, with chips sent from the home plant in Mondragón.

The corporation is constantly expanding even in these hard times, and it plans to inaugurate a large new shopping centre near Bilbao next March. This should be the first of at least 12 "Max Centres" to be established in Spain and administered by the corporation in the next four years.

Eroski, the Mondragón group's food distributor and retailer, will install supermarkets in most of them, and other companies of the group will supply building materials, escalators, lifts and other items. Eroski expects to be one of Spain's three leading food distribution companies by 1995.

HARRY DEBELIUS

## British companies find a warm welcome

Robust British exporters have a burgeoning market in the Basque region. Besides a warm welcome — the Basque inhabitants in this northernmost part of Spain are flatteringly pro-British — there are a number of prestigious industrial companies, as well as some lesser-known firms, that have already paved the way.

Rolls-Royce joined forces with two Spanish government-owned companies, Casa and Bazan, and a privately owned company, Sener, in 1989, to found Industria de Turbo Propulsores (ITP). Rolls-Royce has a 45 per cent stake in the company and their appointee, Michael Steele, is deputy chairman.

ITP is adopting a leading role in research and design, as well as producing engine components for military and civil engines. It is working on the controversial European Fighter Aircraft, the Harrier jump-jet, the Boeing 777, the Fokker 100 and the Airbus A-320.

At the Aljivir business park, three miles from Bilbao airport, it has a purpose-built factory which is also geared up to repair and overhaul engines, and has an assembly and engine-testing facility.

The River Tyne is a long way from the Nervión, which

**New markets are waiting to be tapped, and prestige companies are leading the way**

flows through the centre of Bilbao. Yet it has similar problems, and a remarkable link has now been forged between the two waterways. Basque officials toured Europe in the early 1980s to investigate the ways in which river pollution was being tackled, and they decided that the methods used by the Northumbrian Water Authority (NWA) would be the best — of the Nervión.

As a result, 34 municipal authorities with a total of one million inhabitants have formed a consortium which is cleaning up the river with NWA guidance.

Doug Shearer, the NWA's general manager of enterprise projects, says: "Although our involvement with the consortium in Bilbao has not earned us vast amounts of money, we value the partnership with people who have become friends. And our link with them has been the spearhead for what is to become our main

operation in Spain: bidding for contracts to provide water supplies and sewage treatment plants for municipalities.

"We signed our first contract in the spring this year in a joint venture with Obrason to construct seven plants on the outskirts of Madrid. It is essential for British companies wanting to export to Spain to form a partnership with a local firm, but finding the right partner is not easy."

In the Basque region that task is made easier by the combined efforts of Alistair McKenzie, the British consul general, and Joseba Aguirre, the director general of the Bilbao chamber of commerce. They aim to match prospective British companies with Basque partners, help them locate premises, establish a market or find them skilled employees.

At Intermaher, a company importing and distributing machine tools mainly for the motor industry, but also for

products such as fridges and dishwashers, there is admiration for British engineers and the compliment is returned.

At his big factory a few miles outside the city centre it uses British tool-making machines manufactured by Wickman's of Coventry for cutting car components, which are then exported to Germany, France and the United States.

Mr McKenzie says: "Britain leads the field in investment in the Basque region, and there is plenty more opportunity for us here. People are genuinely fond of the British, so we start ahead of our competitors. Spain is investing twice the EC average on its infrastructure, and the Spanish look to foreign companies to help them to update themselves."

Investment and fiscal incentives are available. The EC provides grants for job-creation schemes, and the Basques are particularly keen on high-technology industries such as medical and scientific equipment, electronic equipment, paper-making and converting equipment, but they are especially interested in anything that helps the environment.

Although some of Britain's traditional industries are well represented, they are by no means the only ones held in high regard. Household names such as Reckitt & Colman, Silver Cross and Texas Homecare are as familiar to the Basque shopper as they are to Britons.

They are relative newcomers to the country, however, compared with MacAndrews Shipping, which has operated from Bilbao since 1770. Bilbao is one of the cheapest ports for cargo-handling in the world, and Keith Sessions, the general manager for Spain, says that there has been a 30 per cent increase in exports from the United Kingdom to Spain in recent years.

Next year, the export of computers, steel, whisky and gin by ship is likely to be complemented by growth in the tourist trade because a new port is being built in Bilbao's estuary. P&O European Ferries, in partnership with a Spanish company, hopes to start a twice-weekly ferry service to either Portsmouth or Southampton.

HEATHER KIRBY



Making parts for aircraft engines at ITP, a factory part-owned by Rolls-Royce

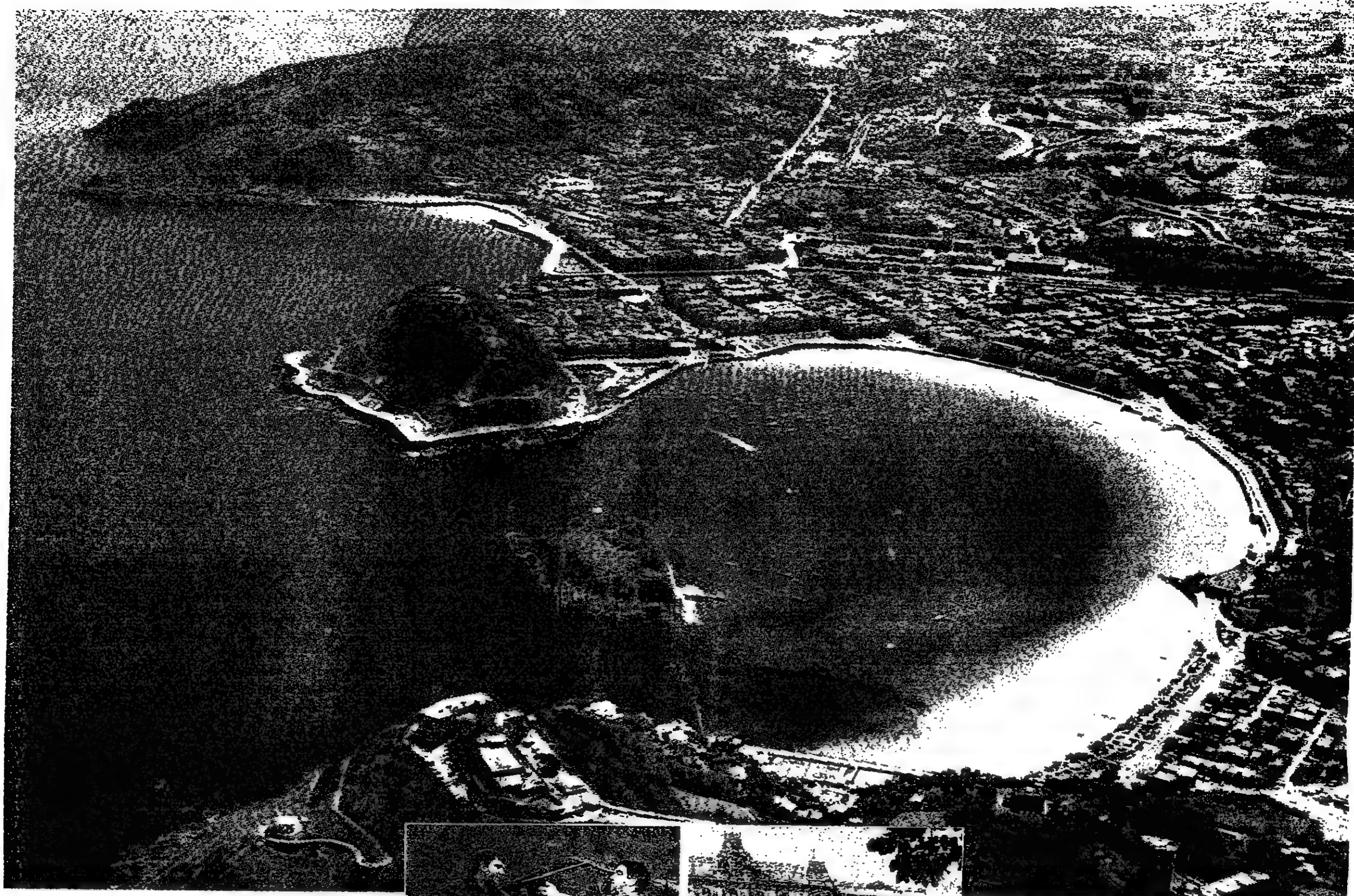
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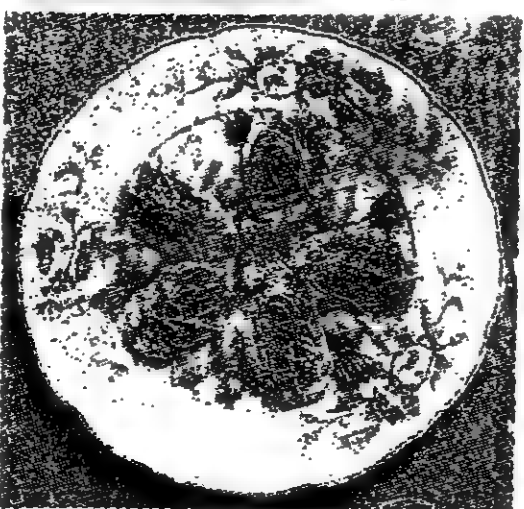
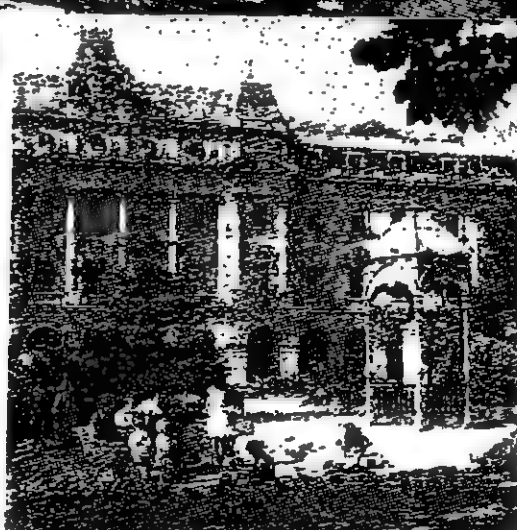
# Gipuzkoa the living image of San Sebastian



Along the Basque Coast, the sun and the mountains surround the city of San Sebastian, Gipuzkoa's capital and the key center of the Province's life. It's known as "The Bay of Biscay's Pearl" because nature was highly generous with this small city of one hundred and seventy thousand inhabitants, which was mostly gained to the sea. The "Concha" -the shell- which is the name of one of its three beaches, represents its unmistakable symbol, its introduction card to the world. A friend of the sun, which outlines its elegant silhouette, and of the rain, which shrouds it with a nostalgic and discreet enchantment, it turns arrogant at the sight of the wild waves of the Bay of Biscay in an attempt to win back their lost ground.

Gipuzkoa, the living image of San Sebastian, was able to preserve its traditions, its customs and its cultural wealth all along history, but being always open to future, to new trends and to the most advanced theories. Its nearness to Europe, in a crossroads, has marked the open and happy nature of Gipuzkoa's people, always ready to welcome the visitor. San Sebastian can be visited at any time of the year, as it's always tempting. It offers beauty, but also a wide range of cultural, social and sports events, in which international ones combine with the most deeply-rooted Basque events. Gastronomy is another main course among Gipuzkoa's attractions. The Basque Country in general, and Gipuzkoa in particular, stand out by their outstanding quality of life, by the enterprising nature of people shown in relevant industrial and business activities, and also, undoubtedly, by an internationally acknowledged delicious cuisine.

Summer vacations was conceived in San Sebastian in the nineteenth century. When the twenty-first century comes, the city will still be the meeting point par excellence of different people, ideas and nations. San Sebastian, in the same way as Gipuzkoa, has a secret which is only revealed when it's known.



San Sebastian has a beautiful bay where two of its three beaches, the "Concha" and "Ondarreta", are found.

Rural Basque sports offer several modes, such as log cutting, stone lifting, stone dragging, etc.

The Palace of the "Diputación Foral" (County Council), the seat of local Gipuzkoa's Government, a magnificent classical construction build in 1.883.

Gastronomic choice of San Sebastian is considered as the best in the Basque Country.

Racetrack of San Sebastian, where horse race meetings are held in the Summer and Winter seasons.

Gipuzkoa's folklore is very rich and diverse, mostly based on ritual dances.

Located on the European axis, the Province of Gipuzkoa enjoys an up-to-date road network.



Gipuzkoako Foru Aldundia  
County Council of Gipuzkoa



# Stia Steeled for restructuring

When hundreds of steelworkers last month walked more than 300 miles from the Basque Country to Madrid to demonstrate outside the ministry of industry, their protest was heard as far away as Brussels, where the European Commission is planning drastic measures to modernise the industry. They were taking part in the "March of Iron", an attempt to save their jobs in the face of a restructuring plan that began in 1989 and is now in its later stages.

In Madrid, they were joined by coal miners from Asturias, who face pit closures, and by unemployed shipyard workers, and on October 26 they held a demonstration on the Castellana avenue, the city's main north-south artery, that halted traffic for hours. The protesters received more applause than abuse from the people of Madrid.

The demonstration gave a dramatic pointer to the difficulties faced by heavy industry in the Basque Country, as elsewhere. Iron and steel and shipbuilding have traditionally been the two main employers in the region, as well as important generators of indirect employment. There is now a glut of steel on the world market, however, and shipbuilding has also gone into decline.

In recent years, shipbuilding has yielded its place of prominence to the renovated machine-tools industry and electronics as the Basque economy has taken on a more modern aspect. More than 75 per cent of Spain's manufacturing of machine tools takes place in the Basque Country.

## Heavy industry faces problems, and workers are protesting, writes Harry Debelius

However, despite efforts to incorporate the latest technology, 1991 was one of the toughest years in recent times for the sector, as sales fell by almost 25 per cent to the lowest level in five years.

The Basque Country depends heavily on industry, which is responsible for 45 per cent of its gross domestic product, compared with 25 per cent for Spain as a whole. Basque officials and businessmen are worried about the prospect of the elimination of their steel industry, which produces 20 per cent of the region's GDP, as a result of EC policies, only to find that EC competitors move in once they have dismantled their own plants.

They also believe that there is still a niche for Basque manufacturing of special steels, once the Altos Hornos de Vizcaya (AHV) plant in Bilbao has been fully restructured, and a plant producing special steels has been built in nearby Sestao.

However, they still have to convince the Commission, which has been pressing for a more drastic reduction in steelmaking and the scrapping of the idea of producing special steel products in Sestao. And there has been less sympathy for their views in Madrid. After the demonstration last month, José Claudio

Aranzadi, the Spanish minister of industry, commerce and tourism, refused to talk about the numbers to be laid off, before finally agreeing merely to discuss compensation and early retirement conditions.

When the marchers got back home, however, they received some comfort from Jon Azia, the deputy premier of the Basque regional government. Speaking from Brussels after talks with the Commission, he claimed to have received a commitment from Sir Leon Brittan, the vice-president of the EC, that the demand for cutbacks in Spanish iron and steel works would not affect the mini-mill planned for Sestao.

One difficulty is that the Basque economy still depends to a great extent on relatively big companies. According to Basque government figures, companies with 500 or more employees represent only 1 per cent of the total, yet they employ 32 per cent of the industrial workers. Only 23 companies employ 1,000 or more employees. The two big-



The docks at Bilbao: a key factor in the Basque Country's industrial programme despite the decline of local shipbuilding

gest employers are the Iberdrola electric power company, with 6,607 employees, and AHV, with 6,500.

Other sectors are, however, demonstrating their competitiveness, among them large household appliances, which account for 6 per cent of the Basque GDP, travel and lei-

sure, wine from the Basque corner of the Rioja district, industrial piping, fisheries and freight-handling.

Transesa, one of Spain's leading firms in the business of combined truck-train shipping, is in the later phase of negotiations to operate its own trains on railway lines owned

by the Spanish national railway network in the Basque Country, in the first step towards privatisation of the money-losing railway system.

Earlier this month, Señor Azia said that 1992 would be the final year of the big restructuring projects. The Basque Country's industrial

strength is, however, a double-edged sword. Unless its industry can compete in Europe, the economy can only get worse.

Both the authorities and businessmen are aware of this and of the need for constant innovation. No other Spanish region has paid closer attention to the need for research

and development. The Basque government's industrial plan for the period 1991-1995 anticipates the creation of 65,000 jobs and the investment of 700 billion pesetas (about £4 billion). In this period, 1.5 per cent of the GDP is to be dedicated to research and development.

## Bank breaks into big time

The Banco de Bilbao merged with another and won a world listing

Banking analysts expressed doubts when Banco de Bilbao became the first Spanish bank to merge with another, Banco de Vizcaya, in 1988. This was largely because both banks' origins were Basque, and there was duplication in their branches.

In October, however, IBCA, a London-based bank-rating agency, ranked Banco Bilbao Vizcaya (BBV) seventh of the world's top 300 banks for profitability in 1991, a demonstration, yet again, of how competent some Basque Country enterprises can be.

Since the 1988 merger, the number of branches has been cut from 3,370 to 2,770, of which 157 are outside Spain, and the number of employees reduced by 5,000.

There has also been a change of chairman. José Ángel Sánchez Asain, who was reputed to be the Spanish private banker closest to the Madrid government of Felipe González, was ousted as chairman in 1989, even though he had been the merger's architect. He was replaced by Emilio Ybarra, a member of the Bilbao establishment and a man with less affinity to the ruling socialist party (PSOE).

Meanwhile, BBV has become Spain's leading private bank in foreign currency dealings and a world leader in peseta dealings. It is also a market leader in Spain in syndicate loans. And it was the first Spanish bank to launch a *superfondo*, a unit trust with attractive tax incentives, which was an entirely new product in the Spanish markets.

Today, the bank is considered the most European of Spain's private banks because of its extensive branch network in Britain, France, Italy, Belgium, Germany, The Netherlands, Switzerland, Austria and, most recently, Portugal. Though BBV now has 146 branches in the Basque region, it now has more branches in each of several other Spanish regions: Galicia, Andalusia, Valencia, Madrid and Catalonia.

It is still an important presence, however. For instance, trading by BBV Interactivos, the bank's brokerage firm, accounted for 73.3 per cent of all trading on the Bilbao stock exchange in September. The exchange, founded in 1890, now ranks third in Spain in terms of the volume of its trade (9 per cent of the total) after Madrid (80

per cent) and Barcelona (10 per cent).

Furthermore, the biggest operation in the history of the Bilbao stock exchange was the absorption by Iberduero, the Basque Country's electrical utility, of the shares of Hidrola, another northern electrical utility, which resulted in the creation of Spain's biggest privately owned utility, HI Holding, and one of the largest electrical utilities in Europe.

As a corollary, BBV has strengthened its presence in the energy sector, as it owned 8 per cent of Iberduero and 4 per cent of Hidrola, and these were the biggest single shareholdings in these companies. So BBV now has management control at the new HI Holding group.

BBV's industrial strategy, according to the bank's spokesman, is to have an "active" presence in areas such as energy and petrol, communications and leisure, new technologies, and food and distribution. This strategy means in practice that the bank speculates in these areas, buying and selling holdings

depending on whether there is a chance to make a profit.

So, while the bank was prepared to spend 296 billion pesetas (£1.7 billion) last year creating HI Holding, last

month it sold, for more than 30 billion pesetas (£171 million), 100 per cent of Kas and 70 per cent of Kessa, two Basque soft-drinks companies, to PepsiCo of the United States.

In addition, BBV sold two subsidiary banks, Banco de Crédito y Ahorro and Banco de Extremadura, in 1991, and divested 67 per cent of a publishing company specialising in encyclopaedias.

Since its origins, Banco de Bilbao — although not Banco de Vizcaya — has had a strong industrial vocation, and BBV today has holdings in 19 Basque companies.

For the present, selling off holdings at a time of economic recession can be useful as a way of boosting results, and last year BBV made extraordinary gains of 71.2 billion pesetas (about £407 million) doing this. On the other hand, it did not sell any holdings during the first nine months of this year, and, partly as a result, the bank's consolidated profits fell 20 per cent compared with the period January-October 1991.

JANE MONAHAN

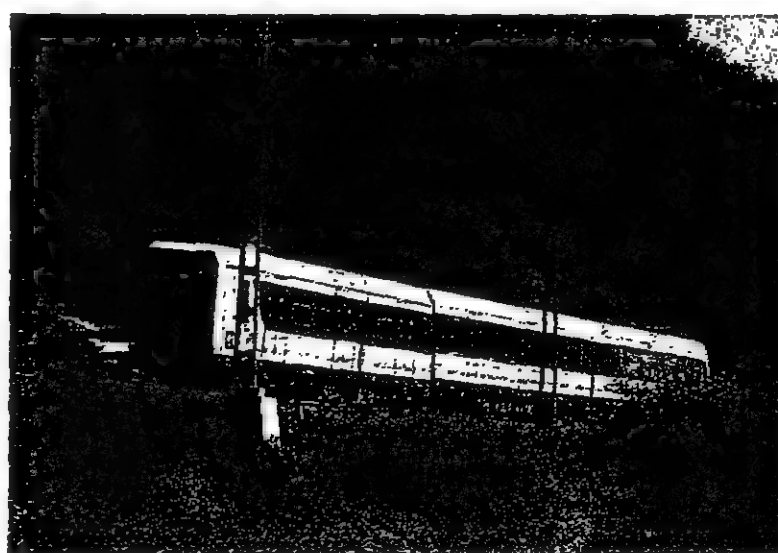
# PLAN EUSKADI - 93'

## THE BASQUE COUNTRY FACES ITS FUTURE

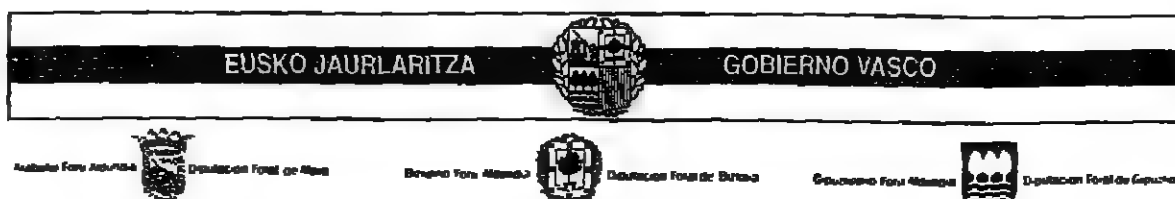


It is up to all the Basques to achieve Euskadi's complete integration in Europe by 1993. The Basque Government and "Diputaciones Forales" (County Councils) have been getting a special plan in motion since 1989 in order to improve the structure of both transport and communications facilities and to achieve greater cohesion and social solidarity. The Special Euskadi Europe 93 Plan envisages a series of improvements covering the railway system, motorway, highways, ports, airports and integrated transport centres. Its aim is to promote Euskadi's role as the strategic axis linking Spain with the rest of Europe.

Likewise, the Plan stresses an improvement of resources in the areas of telecommunications, office equipment and telematics, and the fulfilment of other important projects such as the creation of an industrial and commercial gas network in Euskadi, hydraulic works and



environmental protection and enrichment. But that's not all. It is the Basque Government's belief that a nation's economic prosperity is incompatible with situations of social inequality and discrimination. Because of this, one of the objectives of the special plan is to fight against poverty through a series of measures including monetary aids, a welfare network and paying special attention to social hardship cases. The countdown has already started. The Basque Country faces its future now.



Asturias Foru Asanblakia Gipuzkoako Foru Asanblakia Bizkaiko Foru Asanblakia Arabako Foru Asanblakia Nafarroako Foru Asanblakia Euzko Lege Erakundeak

Basque Country Foru Asanblakia Cantabria Foru Asanblakia Castile and León Foru Asanblakia Castile-La Mancha Foru Asanblakia Catalonia Foru Asanblakia

Extremadura Foru Asanblakia Galicia Foru Asanblakia Madrid Foru Asanblakia Murcia Foru Asanblakia Navarre Foru Asanblakia

Valencia Foru Asanblakia Aragon Foru Asanblakia Balearic Islands Foru Asanblakia Canary Islands Foru Asanblakia

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# Jewels in the land of rolling hills

It is not hard to see why the Basque Country and its people remained remote from the rest of Europe for thousands of years. It is a land of rolling green hills, often rising to rugged moun- 'n peaks, and the Basques built a 'r baserria, the large sprawling farmhouses that sheltered both animals and farm families, on the slopes of isolated valleys.

Today many of the valleys carry the scars of the industrial revolution, which came to the Basque Country, with its iron mines, long before most of the rest of Spain. Much is unspoilt, however, and there are beautiful spots to be found, both along the coast, where the hills drop down to the sea and there are small fishing resorts, and inland.

There are dolmens and prehistoric cave paintings for the historically minded, while two arms of the Camino de Santiago, the route taken by pilgrims in the Middle Ages on their way to Santiago de Compostela, passed through the Basque Country, leaving a wealth of little churches with Romanesque and Gothic detail.

The jewel of the Basque coast is San Sebastián (Donostia in Basque), a resort that became known in the last century, when the Spanish royal family began to go there in the summer. It still has an Edwardian character, with its broad promenade, complete with wrought-iron railings, that follows the line of its lovely, semi-circular bay. The main beach is known as La Concha, the shell.

San Sebastián has hotels and

The region offers the tourist a wealth of charm and history, reports

Peter Strafford

palaces dating back to its days of grandeur before the first world war. It also has a lively old quarter, rebuilt in 1813 after a fire, with narrow streets, bars, and restaurants serving the fish and seafood in which Basque cuisine specialises. Every autumn it has a film festival which ranks with those of Cannes, Berlin and Venice, and prides itself on providing a show-place for independent films.

There are hotels and palaces dating back to its days of grandeur

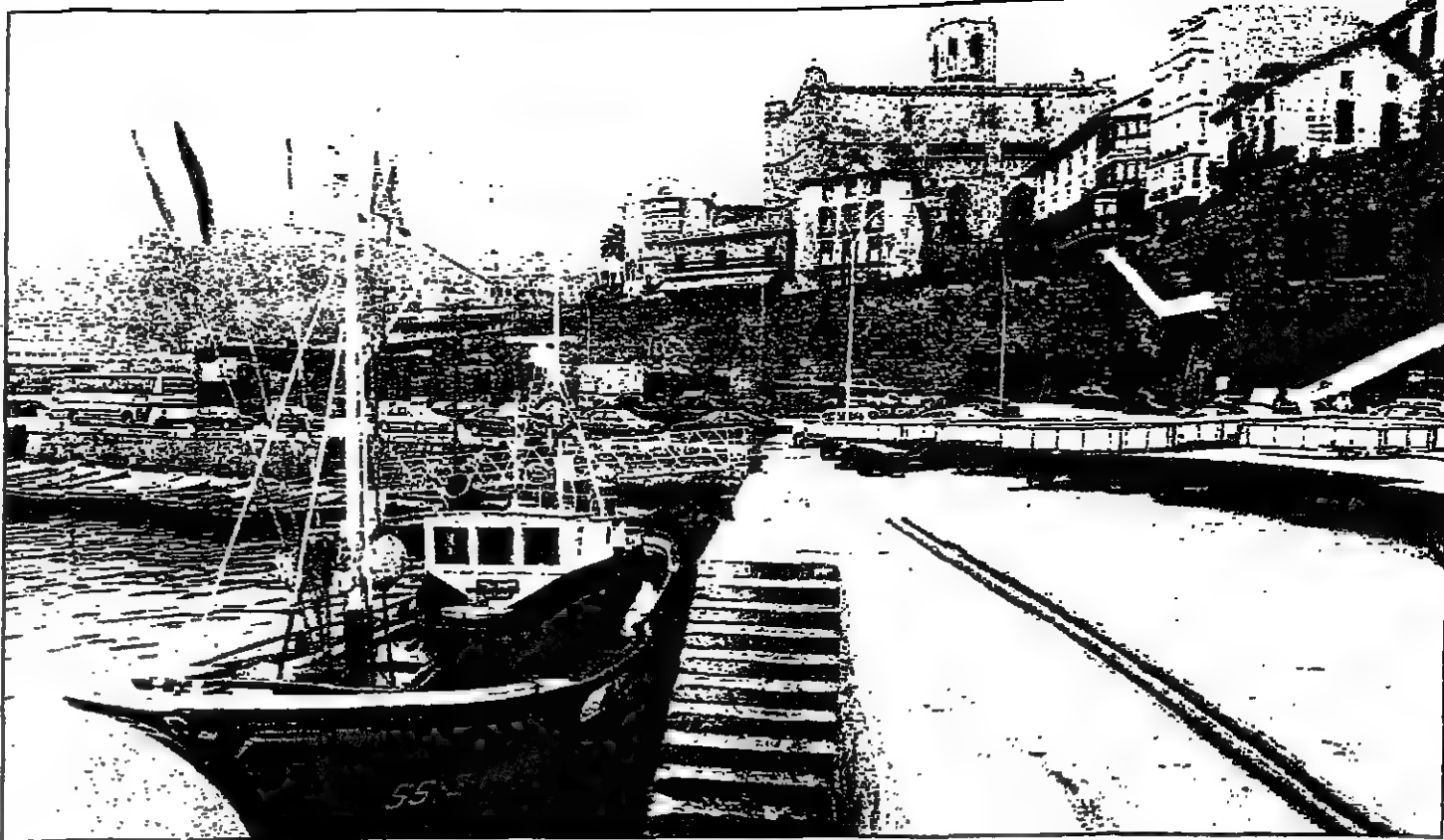
Further west is Zarautz, another beach resort made fashionable by royal patronage in the 19th century, and beyond that a rocky coast dotted with fishing villages. Most are picturesque, and they retain visible marks of a long past. This was one of the arms of the Camino de Santiago, and solid little churches dominate several of the villages.

One of the most colourful is Getaria, perched on a steep promontory above its harbour, with narrow cobbled streets. Getaria was the home of Juan Sebastián Elcano, a Basque who took over command of Magellan's ship when Magellan was murdered in the Philippines in 1522, and became the first ship's captain to circumnavigate the globe. The little town is full of statues recording this feat.

Further on, along the dramatic coast road, are Zumaita, lying at the mouth of the river Urola, with a 15th-century church and the house of Ignacio Zuloaga, the 20th-century Basque painter, now a museum; and Deba, on the river of the same name, where the porch of the church has a particularly fine carved Gothic tympanum.

Guernica or, in Basque, Gernika, is a short way inland, and is a haunting place made famous by the bombing attack that destroyed it in 1937 during the Spanish Civil War, and the painting of the scene by Picasso. Most of the town is new, but there is a peaceful spot where the remains of the tree under which the elders of Vizcaya used traditionally to meet have been preserved. There are monumental sculptures by Eduardo Chillida, the Basque artist, and Henry Moore.

Further inland is the Basque capital of Vitoria, Gasteiz in Basque. Here the Duke of Wellington won one of the battles of the Peninsular War in 1813, and the victory is recorded in a monument in one of the squares. Vitoria is much older than that, however, and the old part of the city, perched on a hilltop, is a network of narrow



The harbour at Getaria: birthplace of Juan Sebastián Elcano, captain of the first ship to circumnavigate the globe

streets running between churches and old townhouses.

This was the other arm of the Camino de Santiago, and the Romanesque church of Euzbaliz is nearby. A few miles across the broad Alava plain is the little church of Gaceo, where some

superb Gothic murals were discovered in 1967, and the old town of Salvatierra, where elaborately carved coats of arms decorate the fronts of the main houses.

Bilbao, the largest city in the Basque Country, is at first sight an unprepossessing place, dominated

by heavy industry and the docks. But its Fine Arts Museum has a good collection of early Spanish paintings, as well as others by El Greco, Zurbarán, Murillo, Ribera and Velázquez; it also has more contemporary works by Basque artists, including Zuloaga. The

Bilbao opera house has performances of an international standard.

In years to come, Bilbao will have even more to offer when a large new Guggenheim Museum has been built on a site by the river in the centre of the city.

Cooking is among the passions of the Basque people, and the dishes they produce are renowned well beyond Spain

## Good eating is a serious matter

Some people collect stamps as a hobby; some people ride horses. In the Basque Country, the favourite hobby is eating. The 3,500 restaurants in the region, most of them ranging from good to outstanding, do not seem to be enough to serve the population of little more than two million. Harry Debelius writes.

To make up for what the Basques apparently consider a dearth of places to eat out, there are well over a thousand gastronomic societies: men's clubs where the members meet at least once a week and take turns cooking, trying to outdo each other in producing delicious food.

Following a tradition of at least a century and a half, the average society has about fifty members, and its headquarters consists of a well-equipped kitchen, a dining-room and little else.

Of the hundred or so gastronomic societies in the province of Alava, only one is a women's club. All the rest are closed to females, although in some, such as the 39-year-old Zaldiarán Recreational Society in Vitoria, women and children are allowed to visit the society's headquarters on Saturdays and Sundays. They can also go on the occasional outings which usually have some food-related purpose, such as picking berries or mushrooms. Visiting rights for women (but not membership) were approved by the society 15 years ago.

Julio Hidalgo, aged 69, one of the founders of the Zaldiarán Society and now its oldest member, recalls: "When I first joined, we voted against having a tele-

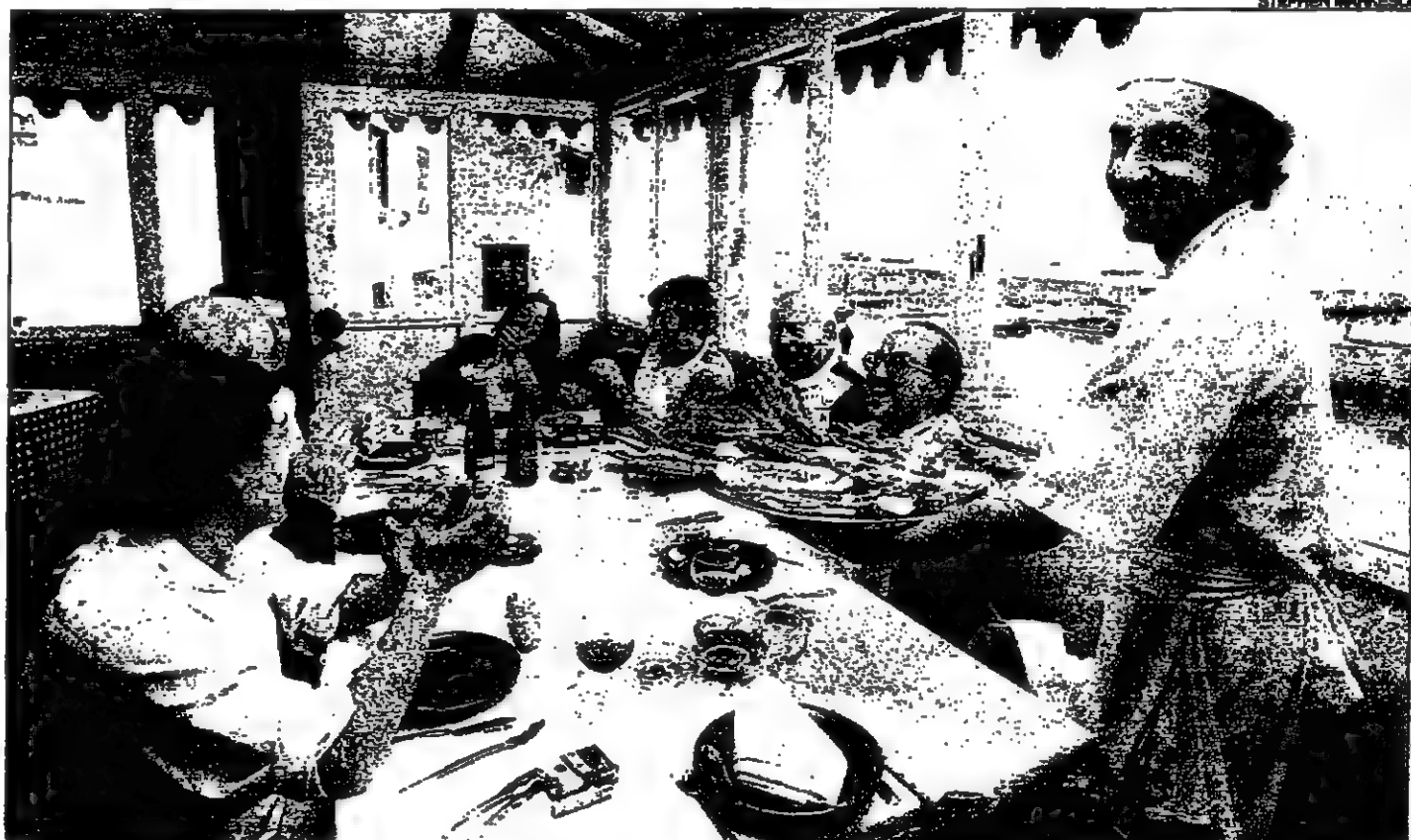
phone. Eventually a majority voted for it, and that barrier fell. When television became popular in Spain, we held out against installing a television set. That barrier fell too, because the members wanted to watch the football games. Then there was the question of women being present here. That barrier fell too."

As he savoured an excellent red Rioja from the society's stock of unlabelled bottles, Señor Hidalgo mused about what the world is coming to and who is responsible for the current state of affairs. But he said nothing, for one rule

that has never been scrapped is the prohibition against discussing politics at the society's headquarters. Or perhaps he was musing about the prize he won for his garlic soup at one of the annual contests in which the societies compete against each other.

The specialty on the night when I ate as a guest of the society was a superb, delicately flavoured, flat-capped grey mushroom known as the *pardillo*, simply sautéed in olive oil with some garlic and parsley. Delectable as the *pardillo* was, there was general agreement at the table that no mushroom can match the *perretxiko*, which unfortunately is in season only in the spring.

Eating is so important in the Basque Country that according to Javier Blanco Herranz, the deputy councillor for tourism, many tour-



Freshly caught and cooked: seafood has always been an important ingredient of Basque cooking, and the food is a tourist draw

ists, particularly among the French, book restaurants before arriving in the region. A survey carried out at Expo '92, the recent world's fair in Seville, showed that its cuisine is the Basque Country's third biggest tourist attraction, surpassed only by the

lovely city of San Sebastián, with its belle époque architecture, and the lush green mountainous countryside.

While Basque men have always had a hankering for the hearty, it is the grandmothers who are responsible for conserving and

handing down the classic recipes, according to Patxi Antón, the director of the official Vitoria-Gasteiz Catering School.

"Traditional Basque cooking is not a complex and highly elaborate type of cuisine for the élite," he says, "but a relatively simple

cuisine, deeply rooted in all levels of society, which can be just as exquisite in a gastronomic society or the most humble of homes as in the best restaurants."

"It is based on the quality of the raw materials used, which have no need for sophisticated

disguises, and on the essential determination to get everything just right."

Although every Spanish region has its special dishes, Basque cooking is the best known. A group of Basque cooks is now in Japan for a gastronomic fair at Tokyo's Imperial Hotel to show off their native fare; and, according to Señor Blanco, an exchange programme in which Basque and Japanese cooks would learn each other's art is being seriously considered.

Seafood has always been an important ingredient of Basque cooking, accompanied by the best vegetables from the narrow, fertile valleys of Guipúzcoa and Vizcaya and the riverside vegetable gardens of Alava, a province which does not touch the sea.

The sharp relief of the land makes it harder to raise livestock, and so meat, although an ingredient of many typical dishes, is less prominent than fish. Even so, big veal chops from cattle reared in the Pyrenees, tender young lamb from sheep that have spent their short lives grazing on the steep green slopes, and tasty free-range chickens are some of the prime ingredients.

Among the many popular Basque dishes are sweet peppers stuffed with cod, bass in a hot green-pepper sauce, strikin with Idiazabal cheese sauce, baked turbot on a bed of fresh vegetables cooked in pure olive oil, and hake in cider or parsley sauce.

The desserts include fruit, above all apples; curdled milk with honey and, sometimes, walnuts; Basque cake, made with rum, raisins and egg yolks; and cheese. The most widely known cheese is the smokey Idiazabal, made from ewes' milk.

## The old and the new in Rioja

Some excellent wines are produced in the Basque Country. They come from a small, but productive corner of the big Rioja district which is called the Rioja Alavesa, and lies in the south of the province of Alava.

Although less than a fifth of the 446 square miles of vineyards that grow in the Rioja district are in the Rioja Alavesa, more than a third of all Rioja wine is matured there, and it includes some of Spain's best-known wineries. All the wines from the Rioja district share certain characteristics. They are made almost exclusively from the same varieties of grapes—tempranillo for reds and viura for whites. Nearly all go through a similar process of vinification.

The leading wineries have all incorporated the latest technology. In the Rioja Alavesa, none is more up-to-date than Bodegas Campillo at Laguardia. There, I watched a pair of big hydropneumatic presses spin gently as a screw-like device in an inclined trough lifted the grapes up to them, separating the stems in the process.

On each side and behind me, in the high-ceilinged ground floor of a multi-storey building, stood 24 tall stainless-steel tanks, in each of which 50,000 litres of grape juice were fermenting. Gauges marked the temperature inside each, so that it could be brought down if it went too high.

On another floor, in an upstairs "cellar", wine was soaking up flavour from the wood of 6,000

Technology has not displaced the traditional wine-treading dance

barrels which stretched into the dim distance, stacked four high. Elsewhere in the winery, brick arches vaulted over the impressive "cemetery", the repository of two million neatly stacked bottles, where the wine goes through its last stage of maturation.

Very different is the small traditional *bodega* that is run by Jesús Baigorri, and was run by his father and his grandfather before him. The vines around the town of Villabuena were red and yellow in late October, the end of the grape harvesting season. When Señor Baigorri showed me through his neat but noisy little winery,

"I produce about 90,000 bottles a year and it's all sold to the same customers—restaurants," he said. "Watch your step."

When I looked through one of several large rectangular openings in the floor, I saw two men, clad in shorts and stained T-shirts, stomping in unison as if they were performing some kind of a dance. They were laughing, with their arms linked for balance, as they



Harvesting the crop: a worker gathers in a basket of grapes

pressed a mountain of red grapes in a deep cement vat, while another man with a pitchfork kept piling them up beneath the squeezer's feet.

I asked how the men could work in that closed space, considering the gases given off by the fermenting fruit, and Señor Baigorri gestured towards another large hole in the floor, opening into the same vat. Provisionally mounted there, humming away, was a big turbine-type fan.

The hum was part of a cacophony of sound coming from the shouted remarks of the traders, the motor of a tractor outside the big open doorway, and the loud clank-clank-clank of machinery somewhere below.

"It's my only concession to technology," he said of the fan. "In my father's day, these vats were completely open at the top, but I felt there was too much evaporation that way. Also, by covering them, I

can keep things cleaner. You have to keep out unwanted bacteria, moulds and the like, or the wine might spoil."

He pointed out with pride that there were no stainless steel cooling tanks. There were also no wooden barrels. "My wine tastes fruitier," he said. "Wood is fine for those who want it. I like the flavour of my wine aged in the bottle."

Two floors down, I saw the origin of the incessant clanking: an old gravity press, lowering its heavy iron plate one deafening notch at a time to press grape stems. "We never use a press for the grapes," shouted my host.

Which wine is better? Campillo gran reserva 1978 and Campillo reserva 1981, both red wines, are listed in the honour roll of the *Guía de Vinos Gourmetes*, the most authoritative annual Spanish wine catalogue. Señor Baigorri's 1987 vintage red, like wines from many other tiny *bodegas*, has not yet been discovered by the gourmets, but it should be.

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## Helping to keep the farmer on the land

For centuries, the Basques have made their living as fishermen, and today Basques make up a substantial part of the Spanish fleet. Many stayed at home to work the land, however, and it is still easy to find the traditional Basque farms, with big white houses, or *baserria*, perched on round green hills with a flock of sheep in front.

They look good on postcards, but they are not as charming when you get up close. In many cases, they offer only a marginal living for the families who work on them, and they lack not only modern conveniences, but social and cultural facilities as well. The farms are small, and the terrain is generally too mountainous to cultivate mechanically.

Most of the land is pasture, and typical crops include corn for animal fodder, red or white beans, apples (mostly for making cider), pears and hazelnuts. There are few herds of cattle, and the herds are small. Vegetable gardens are small and back-breaking.

The only large extension of flat land is in the province of Alava, where 40 per cent of Spain's potatoes are grown. Here the climate is continental, unlike the milder climate of the hilly seaside provinces of Guipúzcoa and Vizcaya.

The Basque regional government wants to keep the picture, however, and keep the farmer and his wife in the frame as well. "We're talking now more about rural policy than about farm policy,

The government plans aid to families running small farms

thinking more in terms of helping rural residents than helping with the crops," says José Manuel Goikoetxea, the councillor for agriculture and fisheries.

The policy is to link the conservation of the environment with agriculture. The government wants to keep people from abandoning rural areas, and to do this it is trying to make life outside the cities more attractive.

A plan approved last June by the Basque parliament includes an agricultural income assistance programme (PARA), specifically tailored for small-farm families. Families operating viable small-holdings who are deemed capable of improving their competitive position with a little help are eligible for funds.

The PARA budget still has to be approved, but the programme will favour farmers under 55. Between the ages of 55 and 60, its beneficiaries may choose between early retirement and continuing to farm with economic aid. The amount of aid will, however, be less than that granted to farmers under 55.

Also, various incentives are designed to retain young people in rural areas or bring them back to the land. One ingenious idea is the

sheep-sitter. It consists of encouraging "associations of livestock-tenders' substitutes" to give shepherds and others who have to attend to farm animals regular days off.

In a measure designed to speed up the sale or transfer of property from older farmers to young ones, the agriculture department will set up a kind of estate agency for rural properties, where properties on offer will be matched with young farmers' requests for land.

Part of the task consists of setting quality standards and acquiring a reputation for quality. Señor Goikoetxea's department will establish quality norms for each type of agricultural product, and those which qualify will be entitled to use a new government-backed quality-guarantee label.

The Basque Country's most exportable agricultural products, according to Señor Goikoetxea, include wood, cheese, tinned fish, frozen fish, genetics technology for plants, cider, *txakoli* (a white wine) and Rioja wine.

The difficulties of the Basque fisheries are quite different from those of agriculture. There is no lack of a market, since Spain is the biggest consumer of fresh fish by volume in Europe and Spain pays the best prices. The obstacle is restrictions on where, when and how to fish. The number of licences for Spanish vessels to fish in EC waters has grown smaller year by year.

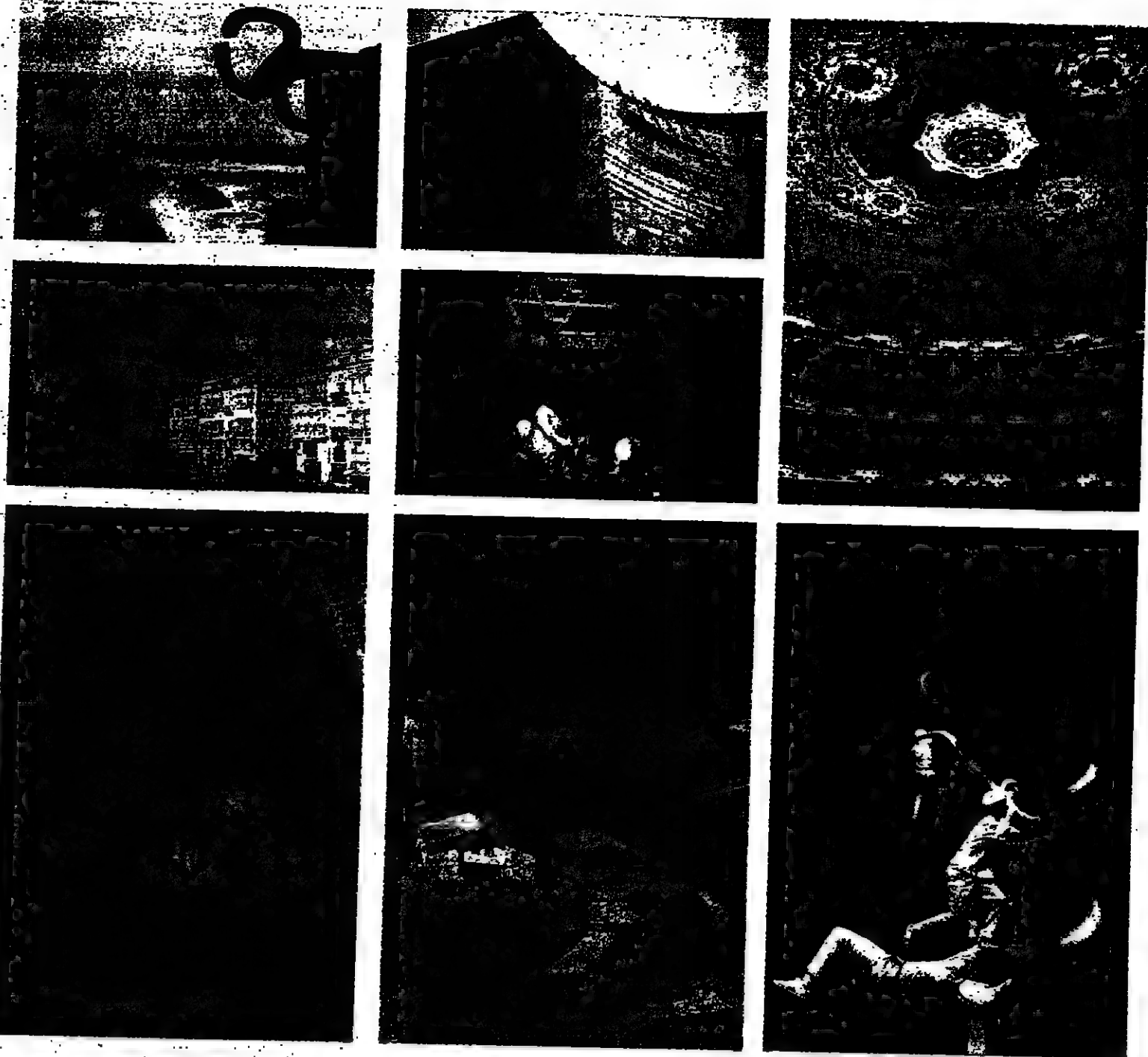
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# A COUNTRY ON THE MOVE

## The fascination of the past

The history of the Basques is inextricably bound up with euskara, the ancient Basque language which, alone among European languages, has survived almost unchanged since prehistoric times. The oldest prehistoric remains in the Basque Country date from the lower Paleolithic, and the first references to settlements in the area take us back to Cromagnon man, some time around 50,000 BC. The exact origins of the Basques and their unique culture, flourishing today among the younger offshoots of European civilization, remain a mystery. The language and the people have grown together from roots buried deep in the past. The past itself remains a powerful and fascinating presence in the Basque Country: the dolmens, gothic cathedrals, prehistoric cave paintings, superb palaces and renaissance buildings scattered around the country are a constant reminder of a remarkably long and rich history. The birth-place of Ignatius of Loyola, Miguel Unamuno and Eduardo Chillida offers a wide range of cultural interests in fine theatres, concert halls and art exhibitions which provide a showplace for the latest and best in local and international creative work. All this with the added bonus of one of Europe's most remarkable peoples, makers and custodians of an unusual and highly distinctive culture.



## Looking to the future

A superb geographical setting, rich, fertile countryside and the unending capacity of its inhabitants for hard work: three important reasons that explain why the Basque Country has been a major business and industrial centre for more than a century and why it has dominated the Spanish economy throughout that time.

Today, the unstinting efforts of public institutions and the private sector, fully aware of the need to update technology, to further develop existing communications and telecoms infrastructures, to diversify, to use energy more efficiently and to improve product quality constantly, and, above all, to provide training and recycling programmes to ensure that our workforce moves with the times, are the best guarantee of the Basque Country's capacity to take on its new role as industrial and financial capital of Europe's south western Atlantic seaboard region.



BASQUE COUNTRY  
EUSKADI



EUSKO JAURLARITZA

GOBIERNO VASCO

مكتبة الامم المتحدة



Peter Strafford talks to Eduardo Chillida, the great Basque sculptor and internationalist, who still has ambitions at 68

## A world citizen proud of his birth

The Combs of the Wind, a trio of huge iron tentacles which reach out from the rocks while the sea surges around them, makes a dramatic climax to a walk around the bay of San Sebastián. It is perhaps the most spectacular work of Eduardo Chillida, the Basque sculptor who has travelled and exhibited around the world, but always returns to his native country.

He now lives in a house high above the bay, on the slopes of Monte Igeldo, with magnificent views of the changing marine scene, the shell-shaped beach, and the hotels, palaces and other buildings behind the Edwardian promenade.

"The sea is always perfect," Señor Chillida says. "I have lived in front of it all my life and tried to understand its mystery. When I was 14, and not yet a sculptor, instead of going to school I used to go out on the rocks and wonder where the waves came from. The sea is a power, fantastic, rich, always the same yet different."

He is particularly fascinated by the horizon. It is "the homeland of all men," he says. "We all belong to the place where we were born, but we are brothers in the horizon. When I travel by train or plane, the

horizon is always changing, but it can be seen from everywhere. It is a way to understand human unity."

Señor Chillida, who is 68, was born in San Sebastián, where he has become a public figure. Over the years, he has lived in many other places, in France, Germany and the United States, and, speaking in fluent English, he says he likes to feel a citizen of

**'I have had a lot of proposals to work on mountains'**

the world as well as a Basque artist. For many years, his works have been largely non-figurative, massive, conformed structures in stone and iron, in which he has evolved his own distinctive language of forms. Many are in public places, in Spain and elsewhere, and they are remarkable for the sense of strength and weight they convey, as well as their inventiveness. "I like to do public sculptures," he

says. "They are not for the collector, but for everybody."

His works on display in Spain include a monument to the Basques, *Our Father's House*, in Guernica, the town demolished by German bombing during the Spanish Civil War, and a labyrinthine design for a square in Vitoria, the capital of the Basque Country, called *Square of Basque Rights*. Further along the coast at Gijón, in Asturias, a huge concrete horseshoe, called *In Praise of the Horizon*, looks out over the Bay of Biscay.

He has works in Germany, where he designed *House of Goethe* for Frankfurt, and where a monument to the Peace of Westphalia, which ended the Thirty Years' War, is to be inaugurated in Münster next summer, and others in France, Finland and the United States. The Annely Juda gallery in London is exhibiting Chillida sculptures and drawings now.

Señor Chillida is both poetic and philosophical about his sculpture. "An artist must do the things he is unable to know," he says. "He must do the impossible." And in a reference to Heraclitus, the ancient Greek philosopher, he says: "You can never do the same thing twice. Time has moved on."

Señor Chillida's next big project



"The sea is always perfect," says Eduardo Chillida, sitting on the rocks by the Combs of the Wind at San Sebastián

is a monument to Hokusai, the Japanese artist, which will be set in the foothills of Mount Fuji, near Tokyo, when it is finished next year. "I discovered Hokusai when I was living in Paris in 1948," he says enthusiastically, "and have already paid tribute to him in a

work called *House of Hokusai*, which I did in 1972.

"My new work will have one element, weighing 15 tons, in steel, and five others, each eight metres high, in concrete. It will be set in relation to Mount Fuji, and will be completed next June."

Further ahead is an even bigger, less well-defined project. Señor Chillida quotes Jorge Guillén, the Spanish poet, who was a friend of his: "*Lo profundo es el aire*", air is depth, and says that that gave him the idea of putting spaces deep within stone. He would now like to

do a work on a big scale within a mountain, for which he would get people to create space by removing the rock.

"I have had a lot of mountain proposals," he says, "from the north of Europe to Sicily. I shall visit them when I have time."



Test of strength: stone-lifting in the plaza at San Sebastián

## Sports to prove a man's strength

Strenuous contests are a Basque speciality, and people often gamble enormous sums when backing their local heroes

When a speaker at a recent tourism conference described the Basque people as "given to gambling, lifting heavy stones, eating late and drinking a pint", there were growls of anger from the region. To other Spaniards, however, the Basque love of excess, of pushing themselves until they drop, is the characteristic that most sets them apart.

It is fair to say that the Basques also have several traditional pastimes in which skill and intelligence are more important than brute force or excess. Notable among these are a wide range of dances, and *bersolaris* poetry which is composed *ad hoc* in Basque to suggested subjects and rhythms. Other Spaniards, however, like the Basques to be what they imagine them to be: stone-lifters, gamblers and late-night eaters and drinkers. Since the Basques do have some extraordinarily hardy country sports, and many of them do take an obvious delight in consuming large amounts of food and drink, it can be argued that they have only themselves to blame.

One detects, in any case, a certain pride among them for this reputation for toughness. Local legends depict early Basques as a tribe of *jentilak*, mountain giants given to throwing rocks around for fun and, in one story, coming down the mountain to rout Charle-

magne's army at Ibañeta in 776.

The most striking evidence of Basque hardness comes from the local sports, celebrated in year-round competitions across the region. Many of these are tests of old rural skills—speed and proficiency in wrestling an axe or a scythe, or in working animals—and most have one thing in common: endurance.

"Basque sport is very harsh," explains Andrés Osa, who covers these sports for *Egin*, the radical Basque-language newspaper. *Atxekari* axemen, for instance, perch on top of tree trunks 5-ft-thick, which they have to cut in half. They snuff at similar trials in Australia, which last a mere ten minutes.

"In the Basque Country," says Rafael Aguirre, an expert on the sports, "it is not a serious test if it is less than half an hour's work." Similarly, scythe-wielding *segalaris* are expected to keep cutting grass for up to two hours.

Perhaps the most spectacular, and certainly the most famous, of these Basque sports is that of the stone-lifting *arriazotzales*. These muscular men grapple with huge chunks of rock, heaving them on to

their chests and shoulders—the true sons of the *jentilak* perhaps.

The great heroes of the sport become legends across Spain. Ifaki Perurena, the current champion and record-holder with a 315kg (694lb) lift, makes a tidy living from his performances. Others have gone on to take their brawn and stamina into the boxing ring.

**The most spectacular game is Jai Alai, called the world's fastest sport by its promoters**

One of the best known, José Manuel Ibar "Urrain", the gentle giant, went on to become a European champion.

While these sports look exhausting enough on their own, they are often combined in combination events. "Some include five sports, with the tests carried out continuously, one after another. They can take more than half a day," Señor Osa explains.

Basque sports have maintained

their popularity, as the crowds out for last weekend's Basque rock-pulling championship in Avila showed, despite the move away from the traditional economy, based on the *caserio*, or farmhouse, from which they sprang.

One explanation for this is the presence of *corredores*, the bookies. Standing between the crowd and the event, they call out the odds and take in the bets. In the court ballgame of pelota, for instance, the bets are often thrown around the spectator gallery in tennis balls still open down the middle.

Pelota is more recognisably a sport as the rest of the world understands the term, but its origins are unknown. Played on a rectangular court open down one of its long sides, it takes different forms, using anything from the hand to sticks or tennis rackets. The most spectacular is Jai Alai, called the world's fastest sport by its promoters. It is played with short, scooped baskets strapped to players' hands.

In the Basque Country, huge sums of money are wagered at even small local tournaments. Often the sportsmen themselves have most to

gain or lose, since one may throw down the gauntlet to another in a *desafio*, or challenge, backed with cash. "These can easily go up to two or three million pesetas (£15,000)," says Señor Osa.

While these sports are kept alive with betting money, they also represent for Basques a chance to revisit the rural roots on which their supposedly embattled culture is based. Another chance to do this comes between January and April each year when the cider farms open for the tasting season.

At José Miguel Berceciartua's farm in the province of Guipúzcoa, for instance, 500 pesetas (£3) buys you as much as you can drink. "Here people can bring their own *chuleas* [chops] which we prepare, or we make them a *torrada de bacalao* [cod omelette]," he says.

The cider-tasting season dates back to the days when restaurateurs or the all-male gastronomic societies would come to choose their year's supplier. Now they have been joined by ordinary Basques, not ones to miss a good excuse for eating and drinking.

Diners queue up under which-

ever of the vast floor-to-ceiling barrels is to be tasted, and fill up glasses and jugs, leaving the tap open between turns and the cider to spill on to the warehouse floor.

GILES TREMLETT

## Art that sets the Basques apart

Foreigners tend to be impatient with the insistence of the Scots, the Irish and the Welsh that they are not English. Basques have a similar way of insisting that they are not Spanish, and it is often difficult to draw a clear line between artists who are indisputably Spanish and those who come from the Basque Country, writes John Russell Taylor.

A composer like José María Usandizaga (1887-1915), for instance, is surely Spanish: did he not write one of the most famous of Spanish light operas, *Las Golondrinas*? A sculptor like Eduardo Chillida (born 1924), or a painter like Ignacio Zuloaga (1870-1945), has generally been understood abroad as an artist from Spain, rather than any particular part of it.

Yet all these famous Spaniards sprang from the Basque country, and that they are now seen as Basque artists is a demonstration of the changes that have taken place since the death of General Franco.

Each artist receives his emotional colouring from the manner and place of his upbringing, and in Zuloaga's case it was foreign ignorance that defined the colouring as generally Spanish, rather than specifically Basque.

The Basques did not self-consciously invent a national identity. With their distinctive language, it has always existed, understood by the natives but virtually ignored by the rest of the world.

Moreover the Basque tradition is particularly strong in painting and the graphic arts, much of it depicting local folklore and traditions. The elegant gouaches of scenes of peasant life by José Arriue Valle (1885-1977) give an unmistakable local twist to international art nouveau conventions. The early oil paintings of similar scenes by Valentin

de Zubizarre Aguirrezabal (1879-1963) pioneer the clear-cut graphic realism which was to become a dominant force internationally after the first world war.

And the tradition continues. One of the most admired of living Basque painters, Agustín Ibarrola (born 1930), has found his own highly individual way of fusing elements of local folklore, derived particularly from the peasant dwellings of the Basque Country, with elements of graphic abstraction to create his own sort of native, deconstructed cubism.

**Emphasis on local folklore**

If the movement for Basque self-definition in art had any official beginning, it must have been the foundation in 1912 of the *Asociación de Artistas Vascos*. The national feelings being hind such an organisation did not begin there, however. Four years earlier Zuloaga, the most famous of all Basque painters and one who had already won an international reputation, had written to his friend and fellow Basque, Miguel de Unamuno, the philosopher: "They have often reproached me in our country for being a bad Basque. I feel myself to be Basque in the marrow of my bones, and love my native land as much as anybody."

He might have added that if one reason some Basques doubted his local identity was that his work showed devotion to such "international" artists as Goya, then his critics should

remember that Goya was also of Basque ancestry.

"The founding of the artists' association, very soon after this heartfelt cry, gave Zuloaga an opportunity to bear witness to his Basqueness, and he supported the association from the outset. In 1915 his involve-

ment in it was confirmed when the Fine Arts Museum of Bilbao acquired, by public subscription, an important painting by him, *Doria Rossini*, with the clear intention that it should be the cornerstone of a collection of specifically Basque art.

There have always been hotheads who have felt that success outside the Basque Country is a betrayal. Many of Zuloaga's paintings, particularly the landscapes, were clearly Basque in subject matter. But it would have been unrealistic to insist on too nationalistic a tone in his portraits, because a painter like Zuloaga was bound to have commissions from other parts of Europe and America.

In a year when Seville has had its Expo '92, Barcelona its Olympic Games and Madrid has been Europe's cultural capital, Bilbao, the main city of the Basque region, has not been entirely neglected. In February, the Basque regional government reached an agreement with the Solomon R. Guggenheim Foundation in New York to build a brand-new Guggenheim Museum in Bilbao. It will be the Basque Country's first modern art museum, and the Guggenheim's second in Europe, after Peggy Guggenheim's in Venice.

The agreement, which turns on a large loan of paintings from the Guggenheim collection, is the most expensive

## Showcase for the moderns in Bilbao

arts project undertaken in the Basque region since Bilbao's Fine Arts Museum was built in 1908.

At current exchange rates the total cost of the project is £117.6 million, and of this £60.7 million, or more than half, is due to be spent on the

new museum building. This is being designed by the Canadian architect Frank Gehry, and it could turn out to be as impressive a building as Frank Lloyd Wright's Guggenheim Museum in New York.

For both these reasons, the high cost of the project and the striking presence of the building, the Basque government is locating the museum in a depressed part of Bilbao, on the left bank of the River Nervión, and making it part of a programme to improve the infrastructure of the city centre. Altogether, an area of more than 20 acres is to be developed, including a park, gardens and a large lake in addition to the new museum.

Quite apart from its aesthetic merits, officials in the Basque government emphasise that the project will generate about 600 new jobs directly and indirectly.

To guarantee the new museum is of a high standard, it has been agreed that the paintings on loan will represent the whole of the Guggenheim collection, from the beginning of this century to the present day, and will include some of its masterworks, with paintings by, for instance, Kandinsky, Fernand Léger, Chagall and Modigliani.

It has also been agreed that exhibitions organised in the Guggenheim Museum in New York will be brought to the Bilbao museum; and that for at least the first three years

of the Bilbao museum's life, curators and art advisers from New York will be on hand to organise exhibitions, art programmes and promotion.

At the same time, the Basque government is setting up a fund, endowed initially with £20 million, to buy a modern art collection of its own for the museum. This will specialise in modern Spanish and modern Basque art and sculpture. It has also been agreed, however, that the works loaned by the Guggenheim Foundation must always be worth five times as much as the Basque government's acquisitions, as measured by market values. This is a further guarantee that the works loaned by Guggenheim will be of a high quality.

Despite the safeguards, the agreement has been criticised by Basque trades unions, by opposition politicians and in Basque cultural circles. There is resentment over the lack of consultation by the Basque government, which carried out the negotiations with Guggenheim in secret, and

over the high cost of the project, at a time of acute regional unemployment, and when other museums and local cultural activities have had budgets cut.

Nonetheless officials in the ruling party, the *Partido Nacional Vasco*, are convinced that the investment is worthwhile, and that the new museum, which is scheduled to open in 1997, will help to dispel images of the region as a place of industrial decline and separatist terrorism.

Juan Ignacio Vidarte, director of the Guggenheim project, says that the Basques have a long-term aim of making Bilbao the central metropolis of a vast Atlantic "axis", stretching from Oporto in Portugal to Bordeaux and Nantes in France.

JANE MONAHAN



*Bersolaris* in the Fine Arts Museum, Bilbao, by Valentin de Zubizarre Aguirrezabal (1879-1963)



## CINEMA page 42

Stolen Children, Italy's most successful film for years, will be shown in Britain on Sunday

## ARTS

## THEATRE page 43

Attacking the hypocrisy of public life, Wilde's *An Ideal Husband* has lost none of its relevance



VISUAL ART: Richard Cork on the National Gallery's powerful and disturbing exhibition of *The Frieze of Life*

## Where there's Munch there's mania

Holding a thin cigarette near his chest, the 31-year-old Edward Munch stares out at us. He looks tense and defensive, as though expecting an attack to be launched from the surrounding gloom. Li strongly from below, his face takes on the air of a man caught by an interrogator's lamp. The beam throws a shadow on the wall behind, where it waves like a phantom reminding him of the unavoidable grave.

In 1895, when this electrifying picture was painted, Munch would not have been surprised by the sudden termination of his own life. After enduring prolonged ill-health in childhood, he was haunted by a sharp awareness of mortality. Hence, perhaps, the exceptional thinness of the pigment in this self-portrait. Apart from his face, painted quite robustly but only

Jappe Nilsen, who had become infatuated with a woman ten years his senior. Munch positions his brooding figure on the seashore. The woman, reduced to an unrecognisable blob of white in the distance, departs with her husband on a boat trip. So the young man is left with his despair. And yet little of this anguish is conveyed by the hunched figure in the painting. He seems oddly tepid, and only when Munch made a woodcut version five years later did he invest the abandoned figure with a persuasive amount of dejection.

What *Melancholy* did convincingly define, though, was the setting. Most of the *Frieze of Life* paintings take as their location a bleak yet undulating shoreline, where Munch's tormented cast of unrequited lovers, virgins and whores respond to their isolation with a shuddering intensity. Occa-

As his work on the frieze proceeded, so his symbolic vision grew more sombre

All the same, there is assurance as well as anxiety in *Self-Portrait with Cigarette*. Only an artist supremely confident of his direction could have given the picture such a dissolving, spectral feeling. He had already completed many of the paintings in his so-called *Frieze of Life*, the great cycle of images which fulfilled Munch's ambition to make "an art created of one's innermost heart". And he was determined to continue, despite the critics who claimed that his art was the ravings of a madman.

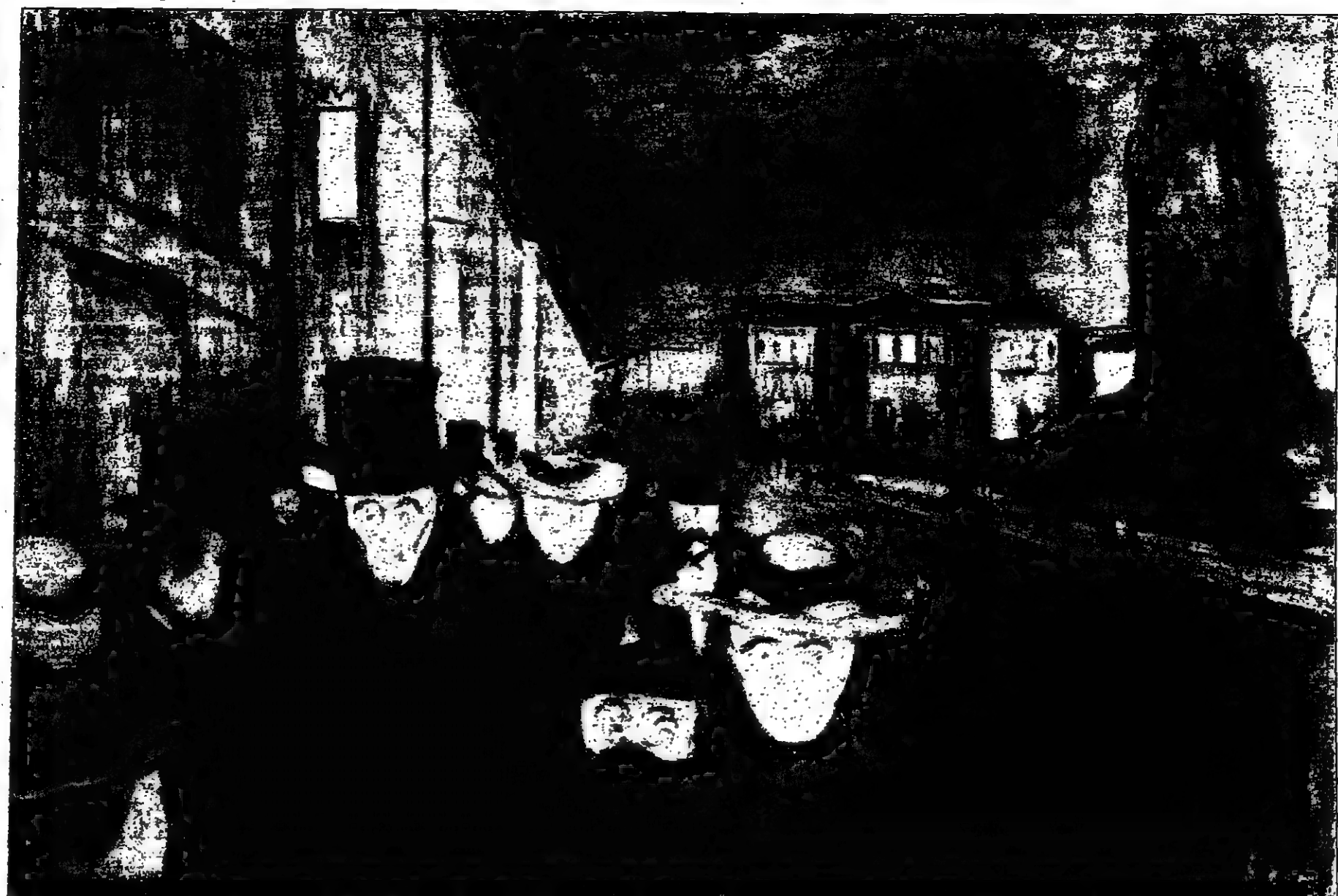
Now that the paintings associated with the *Frieze of Life* have been brought together for a powerful exhibition at the National Gallery, the extraordinary paradox underpinning Munch's achievement becomes clear. He should, ideally, have called it the *Frieze of Death*. But from this morbid obsession, which could so easily have become merely depressing, Munch at his best managed to forge an art of prodigious, defiant vitality.

He did not unleash this dynamism immediately. One of the earliest paintings in the cycle, *Melancholy*, lacks the fervour to come. Using as his model a young fellow Norwegian painter called

ted, down an empty expanse of calm water.

But, on the whole, Munch's involvement with impassioned figures, whom he described as "real people, who breathe, feel, suffer and love", led him to give them the centre of the stage. For *The Voice*, one of his most potent images, Munch placed the figure of a yearning young woman against the backdrop of the Borre woods on the Oslo fjord. Celebrated for its Viking graves, the dark, tree-heavy locale contrasts mysteriously with the blue water beyond. In the first version, the woman seems tentative as she stands among the tree-trunks, with hands behind her back and head held high. But in a subsequent version, Munch brings her far closer to us. She seems to press against the picture-plane, longing for release. And her near-silhouetted body, slashed with surprisingly wild seams of paint, is juxtaposed far more arrestingly with the blazoned phallic energy of the moonlight's gleaming pillar.

Alongside his depiction of sexual awakening, *The Voice* transmits a hushed, awesome quality which fulfils Munch's hope that viewers of



"A crowd of pedestrians advances towards the front of the picture. They look pale and demented, helplessly consumed by terrors without a name": *Evening on Karl Johan* (1892)

his art might respect "the sanctity of it, and they would take off their hats as they do in a church". But most of his images are more despairing of the human predicament. His ecstatic painting of an orange-haired, bare-breasted Madonna was originally framed by a design of sperm and embryos, signifying new life. Munch later deleted them, though, just as he obliterated the human focus growing out of a plant between the naked man and woman in *Metabolism*.

As his work on the frieze proceeded, so his symbolic vision grew more sombre. A bearded face lurks in the foreground of *Jealousy*, blanched and devoured by envy of the couple standing beneath a biblical apple tree beyond. But the

jealous figure need not have felt so distraught. Although he is supposed to represent the Polish writer Stanislaw Przybyszewski, who had discovered that Munch was having an affair with his wife, no lasting happiness came out of the relationship. Munch's attitude to the women he loved was always riddled with fear, and in *Vampire* a red-haired temptress sinks her teeth into her lover's bared neck. Sexually active females were dangerous in his eyes, so misogyny plays a disturbing role in some of his most celebrated pictures: nowhere more than in a hallucinatory woodcut of 1896, showing a man's decapitated head ensnared in a woman's hair.

Nor can any respite be found when Munch moves away from the

shore. *Evening on Karl Johan* is set in the centre of Oslo's main street, where a crowd of pedestrians advances towards the front of the picture. They all look pale and demented, helplessly consumed by terrors without a name. A cluster of trees rears up on the right like a volcanic rock, towering over the solitary top-hatted figure who wanders mournfully down the middle of the road.

The year was 1892, and the National Gallery's survey is able to show how Munch took that isolated walker and later made him the subject of an Angst-ridden icon. In *Despair*, a young man resembling the frustrated lover of *Melancholy* lingers on a fenced-off pathway. He looks forlorn rather than crazed

with anguish, and his emotion fails to tally with the scarlet streaks enveloping the sunset above. In *The Scream*, however, Munch arrived at a definitive, terrifying correspondence between the figure and nature's disquiet. A shaven-headed, mask-like wanderer, of indeterminate sex, raises hands to face and utters a desperate cry. The sense of desolation is echoed by the swirling form of the yellow fjord behind, and now the sky appears to be streaming with blood.

Eventually Munch's neuroses grew so grievous that they led to a deterioration in his art. The exhibition's final section, devoted to an angry, disillusioned series called *The Green Room*, reveals an alarming loss of his previous vivacity and

discipline. They are crude, hectoring diatribes about jealousy, hatred and murder, culminating in a gruesome *Death of Maria* where Munch sees himself as a gore-soaked corpse butchered by his naked, implacable fiancée.

A complete nervous breakdown followed; and although Munch recovered, his art lost much of its former authority. The trauma that fuelled his finest work had been dispelled.

● Edvard Munch: *The Frieze of Life*, sponsored by Norsk Hydro, is at the National Gallery (071-839 3321) until February 7. Several of Munch's paintings are also included in *Border Crossings: 14 Scandinavian Artists at the Barbican Art Gallery* (071-639 4141) until February 7.

● ERIC GILL: The first to concentrate on Gill's major sculptures, this show presents him as one of the most brilliant of all stone-carvers. The works combining erotic and religious elements are wonderfully cheeky; there is no sense of guilt or even incongruity here to mar enjoyment of them. Barbican Art Gallery, Barbican Centre EC2 (071-638 4141) Mon, Wed, Sat 10am-6.45pm, Tues 10am-5.45pm.

Sun noon-6.45pm until February 7. Admission £4.50, concessions £2.50.

● JOANNA GILL: Coincidentally coinciding with the major show of her father at the Barbican, this show reveals Joanna Gill's talent between the ages of 8 and 15. It is clearly children's art, but with a sureness of touch rare in children. Arts and crafts with a religious tone, the biblical illustrations are sufficiently

charming to make it surprising she did not continue with art into her adult life. Gillian Jason Gallery, 42 Inverness St, NW1 (071-267 4835). Tues-Sat 10am-6pm, until December 19.

● ART FROM CHINA: A foretaste of Roy Miles's new interest in contemporary work by Chinese artists, the show parallels the kind of traditionally based academically nurtured Russian art this gallery

has shown in the past. Particularly worth noting are the intense, expressionist oils of Victor Lai, the lyrical and fantastic recent works of Zhu Guang and the enchantingly inventive small ceramic figures and pots by Ying Yeung Li. Roy Miles Gallery, 29 Bruton St, W1 (071-495 4747). Mon-Fri 10am-6pm, Sat 9am-1pm, until December 24.

JOHN RUSSELL TAYLOR

## Broadway here, Oxford there

A TRANSATLANTIC partnership will head the cast of the Broadway musical *Crazy For You* when it arrives in the West End. The American actor Kirby Ward and the British actress Ruthie Henshall (of *Cats*, *Miss Saigon* and *Les Misérables*) will take the principal roles. This revamped version of Gerstwin's musical comedy has been one of the biggest hits in New York in recent years, winning three Tony awards. The £3 million London production opens on March 3; another £3 million is being spent on refurbishing

*Sight and Sound* magazine. Some 130 international critics were canvassed. For the first time the magazine also polled 100 film directors, from horror maestro Wes Craven to Fellini. They also plump for the Orson Welles classic. The critics' runner-up, as in two previous polls, is Renoir's *La Règle du Jeu*; the film-makers, however, prefer *Raging Bull* and Fellini's own *8½*.

THE days when the dreaded legend "performed on period instruments" was confined to concerts of pre-1800 music are long gone. On November 30 in Westminster Cathedral, John Eliot Gardiner, the British conductor, will be aiming his period instruments at Verdi's *Requiem*, one of the great choral classics of the 19th century. His apocalyptically named "Orchestra Revolutionnaire et Romantique" will be wheeling out its biggest drum for the occasion.

## Last chance...

A SUCCESSION of distinctive American jazz pianists has been passing through the Tenor Clef (London N1, 071-729 2476) in recent months. The latest visitor is Kirk Lightsey, a former sideman with Chet Baker, Dexter Gordon and Sonny Stitt. More recently he has been a key member — with Lester Bowie and Chico Freeman — of the Leaders, an all-star group whose repertoire swings from pop to a playful "Blueberry Hill". Lightsey's trio ends its residency tomorrow night.

## Kane spirit

FOR the fourth time in 30 years, *Citizen Kane* has come first in the Top-Ten film poll organised every ten years by the British Film Institute's

## ARTS BRIEFING

flowing towards Britain. In the same month as *Crazy For You* hits London, a Stephen Sondheim compilation musical premiered in Oxford last January will open in New York. Julia McKenzie, who co-created *Putting it Together* with the composer, will direct the production's Off-Broadway run at the Manhattan Theatre Club, and Julie Andrews will be dusting off her do-rim to star in the show. *Putting it Together* borrows from several Sondheim musicals, from the early *A Funny Thing Happened on the Way to the Forum* to *Assassins*, currently running in the West End.



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مكتبة الأمل



# Bambini in need of a British home

The action is minimal, the storyline almost non-existent. A disaffected young *carabiniere* (Enrico Lo Verso) is entrusted with the task of escorting Rosetta, an 11-year-old prostitute (Valentina Scalici) and her younger brother Luciano (Giuseppe Ieraciano) from their squalid high-rise home to a children's home. They are not accepted, so the *carabiniere* takes them south, first to visit his family in Calabria, then towards an unspecified children's home in Sicily.



The Italy portrayed in this cross between a road movie and the Children's Crusade is unremittingly ugly and squalid. From the syringe-riddled tower blocks on the outskirts of Milan, to the unfinished, jerry-built houses spoiling the Calabrian coastline, and the collapsing buildings of Noto, the glorious capital of Sicilian baroque, there is not a frame which strays from

Inevitably, after Amelio's fast critical and box office success, some pundits are wondering whether this could be the dawn of another golden age of Italian cinema. In the subsequent waves of euphoria, some ten first or second films by young directors were launched with a flourish at the Venice Film Festival in September. But seven have bombed so badly at the box office that the Italian film community is not holding its breath.

● *The Stolen Children* is at the National Film Theatre (071-928 1325) on Sunday, 8.45pm.

**Muted  
passion**

**Teorema**  
Queen Elizabeth Hall

# Synthesis of nature

ONLY the Inuit, it is claimed, can actually hear the Northern Lights as well as see them. Perhaps in order to compensate for the loss, somewhere along the line, of such fine-tuning into the cosmos, many composers among their Nordic neighbours have been irresistibly drawn to stretching the boundaries of sound through apprenticeships in electronic music in the studios of Utrecht and Paris.

The Oslo Philharmonic, in the second of its appearances at the Barbićan's Festival of Scandinavian Arts, presented the British premiere of a work written by one such disciple of sonology: Olav Anton Thommessen's *From Above*, a concerto for synthesizer and orchestra.

It is no exaggeration to declare that "from the heights of the soundsphere, the synthesizer is pulled inexorably downward towards the sonic abyss". It seemed a fair description. Iver Kleive, who collaborated with the composer in working out the synthesizer registrations, presided over his three keyboards with panache. He relished his central cadenza which, gradually spurring with each percussive turn, he used to provoke the entire orchestra into an orgy of playful cross-crossing metres and rhythms.

The visit of the Oslo Philharmonic will be remembered more for its playing than for its programming.

**Oslo PO/Jansons**  
**Barbican**

Using its now-familiar formula of something fairly old, something fairly new, and something borrowed, it answered Thommessen's concern with Grieg's, and ended with *The Rite of Spring*.

The Grieg was obligatory, if only to provide an excuse to introduce Leif Ove Andsnes, Norway's 22-year-old pin-up pianist, whose recording of the work with the Bergen Philharmonic shot high into the Norwegian pop charts last year.

This was a bold, statement-making performance, fitting as a curtain-raiser to the Grieg anniversary celebrations next year. Andsnes matches an assertive flamboyance with a supple, quasi-improvisatory singing line which, together, breathe vibrant new life into this venerable war horse.

The orchestral accompaniment was just as vividly reassessed. As in his Rachmaninov the night before, Marius Jansons drew firm forward movement from his players, achieving expressiveness from depths of tone rather than bulge of line.

His cellos speak from the heart of the orchestra and are highly prized members of it. The ballast they give to the distinctively bright, but never overpolished, voice of this orchestra was equally telling in the might and majesty of their perhaps slightly overcivilised Stravinsky.

### HILARY FINCH

11



THEATRE: Sir Peter Hall's staging of Oscar Wilde, and a Charlotte Brontë adaptation by Willis Hall in Sheffield

# Dated manners, but a dandy moral

Benedict Nightingale on a Victorian *fin-de-siècle* comedy whose message remains equally pertinent at the end of our own century

For a play that attacks moral rigidity and argues for tolerance and mercy, the origins of *An Ideal Husband* seem particularly apt. Oscar Wilde wrote it when the Marquess of Queensberry was starting to harass him. It was successfully running in London when their battles in the law courts began. It was precipitated by Wilde's arrest for indecency. And by the time he disappeared into the stony maw of Reading Gaol, all right-minded Victorians were pretending it had never existed.

That was his loss. The play is an odd mixture of comedy and melodrama, wit and solemnity, but even today it holds the attention. Certainly, there is still a frisson in some of the lines that emerge from the tale of Sir Robert Chiltern, the politician who faces ruin for a past indiscretion. "With our modern mania for morality, everyone has to pose as a paragon of purity, incorruptibility and all the other deadly virtues, and what is the result?" asks the woman who seeks to destroy him. "Hardly a year passes in England without someone disappearing from public life." Not for the last time, the opening-night audience tittered, clearly sensing parallels with you-know-what and guess-who.

Not that Peter Hall, who directs, makes any obvious efforts to suggest that this is a play of the 1990s rather than the 1890s. Despite the odd cut, he respects both text and period. Instead of a curtain, we have a giant gold coin with the old Queen's head embossed on it, and it rises to the sound of patriotic music, revealing

lords in evening dress and ladies in lacy white gowns languidly parading beneath the burnished walls of Card Tom's set. Then in saunters Anna Cartaret in purple, and Wilde's assault on Victorian pretension and respectability is under way.

Cartaret brings a felicitous charm to the role of Mrs Cheveley, who has it in her power to end both the career and the marriage of David Yelland's earnest Sir Robert. She possesses a letter which proves that years ago he traded a Cabinet secret for the fortune he needed to rise to high

The audience tittered, sensing parallels with you-know-what and guess-who

office, and she will expose him unless he publicly backs a shady scheme for a South American canal. "You know what your English newspapers are like," adds Cartaret with one of the big, sweet smiles in which her Mrs Cheveley specialises.

The play's main conflict is not so much between her and Sir Robert as between Sir Robert and his wife, Hannah Gordon's Gertrude Chiltern. Even before the blackmail begins, she has made it clear that her love for him depends on her absolute faith in his seamless integrity. When she learns his secret, all is high Victorian outrage. "Don't touch me, you have soiled me for ever — and you were to me a thing pure, noble, honest, without stain!" Maybe Wilde is consciously parodying the overblown bluster of lesser

playwrights; but there are times when both the dialogue and the plot owe less to life than to the excesses of the 19th-century theatre.

Hall is able to temper some but not all of the melodrama. He has worked out a clever alternative to the accidentally falling chair that in the original play reveals Mrs Cheveley's presence in an ante-room, but he can do nothing with the event that finally undoes her, the discovery of a brooch she once stole by the man who years ago bought it. And neither he nor the admirable Hannah Gordon can make Gertrude's conversion from a prig, "pitiless in her perfection", to an understanding wife seem less abrupt.

Again, what of the claim, agreed by all the main parties, that women's "curves of emotion" are awfully unimportant beside men's "wider scope and greater ambitions"? No doubt of it, the play has dated in some ways. And yet it undoubtedly grips, amuses and, at times, spindles. The calibre of the epigrams varies, but most people will enjoy "I always pass on good advice, it's the only thing to do with it", *et al.*

Most of these come from the play's resident dandy, paradoxer and seer, Martin Shaw's Lord Goring. His thick, lush wig and thicker, lusher voice, not to mention his aesthetes' clothes and manner, are clearly meant to evoke Wilde himself. True, that sorts oddly with the robust heterosexuality the plot demands of the character. But it gives extra resonance to pleas for "pardon, not punishment" that are, surely, still worth airing today.

● *An Ideal Husband* is at the Globe, Shaftsbury Avenue (071-494 5067)



Far from their ideals: Hannah Gordon and Martin Shaw as outraged wife and resident dandy

## A night on the moors

Jane Eyre  
Crucible, Sheffield

An unforgettable high-level shot in the film made from this venerable novel shows Orson Welles galloping across a snowy courtyard with his dark cloak flapping behind him. Such effects cannot be looked for at the theatre, though the audience watching from the uppermost row, in a Crucible crowded as I have never seen it, were suitably placed should Jack Shepherd have stormed out through one of the exits below them. No horse, however. Nor snow.

Fran Thompson's designs cleverly suggest the different Yorkshire locales with a simplicity Elizabethan audiences would have found familiar.

The forestage has been spread with worn floorboards on to which a few pieces of furniture — chairs, iron bedstead, a round table, a blackboard — are brought to mark the points in Jane's painful journey from orphanage to Thornfield Hall, out again on to the moors after the shock-horror interruption of her wedding, and back at last to the burned shell of Mr Rochester's home. "Abhorred spot," he calls it in the novel, though not in Willis Hall's dramatisation, where Charlotte Brontë's fondness for such adjectives is wisely ignored.

A line of black baronial pillars crosses the back of the stage and above it a tiled gallery where the first Mrs Rochester and her warder, the grim Grace Poole, sally forth to inflame the young Jane's fancies. On the night she flies from the hall and Mr Rochester stands motionless on the gallery, the tableau may not have the drama of a galloping horse, but it captures — very simply, the grief of loss.

The narrative passages are distributed among the whole cast, except Mr Rochester, giving a lively movement to the play while managing not to seem peculiar. There is doubling, tripling and quadrupling of roles, sometimes tormentor, sometimes ally, so that it feels quite in order for them to include some of Jane's reflections as well. What this device adds is a sense of the story as moral fable, which in the book is shored up with expressions of blind trust in Providence.

A fair amount of this talk survives in the second half of Hall's adaptation, where the dramatic pulse beats too slowly. Even here the arrangement of figures on the stage is usually interesting, but the co-direction by Robert Delamere and Michael Rudman is at its best in the interweaving crowd scenes and, fortunately, in the crucial encounters between the lovers.

Emma Fielding's plucky stance and young Queen Victoria profile combine with a genuine feeling for Jane's dilemma (Christian love versus romantic love), and Shepherd's dry irony, baffled rage and ardour, is graced with a gentleness that roots him in humanity.

JEREMY KINGSTON

## Small change leaves a hole in listeners' pockets

Recorded music will soon be available in a baffling new range of expensive formats. David Sinclair explains

For most consumers, the advent of yet another technological revolution in hi-fi will seem premature at best. With 60 per cent of British households yet to buy a compact disc player what possible need can there be for another overhaul in audio equipment, requiring further financial outlay from the hard-pressed fan?

The explanation, according to music business theorists, is "format fatigue", a strange ailment which has already accounted for the near demise of the vinyl record and which is about to put paid to the familiar compact cassette.

The race to provide a new format that will replace the cassette, while co-existing with the CD, has produced a battle to rival that of the VHS vs Betamax war that marked the arrival of video recorders. Earlier this week, Philips launched Digital Compact Cassette (DCC), a system which incorporates digital sound on an upgraded compact cassette design. On Tuesday, Sony will be unveiling its MiniDisc (MD) system, a miniature, laser-scanned disc, capable of recording, and robust enough for use in cars or even while jogging. Both formats are manifestly superior to analogue cassettes, and

both will be more expensive to purchase.

Why the need to find a successor to the standard cassette? The answer is portability. For all the advantages of CDs — notably their digitally "perfect" sound quality and durability — they have proved unsuitable as a portable music system. Consumers have, typically, kept their CD collections next to the hi-fi system at home (much as they used to do with vinyl records) and have continued to use cassettes on their personal stereos and ghetto blasters.

They also use cassettes for recording music (or anything else), a function which CDs are not able to perform, yet. (A CD system which can record as well as play back may be available sooner than we think, but that is another story.)

On the face of it, Philips has the easier job in persuading potential purchasers to take the plunge, if only because DCC can offer the crucial advantage of "backwards compatibility". In other words, not only do you enjoy

the benefits of crystal clear, no-hiss, digital sound on the new DCC software, you can still play all your old, non-digital cassettes on the same hardware.

The DCC tapes are new and "sexy" to handle, yet also have a comforting familiarity about them. They come in a durable plastic case with a window which displays the artwork on the tape to maximum advantage. Once out of its case the exposed parts of the tape are protected by a sliding metal sheath when not in use. There is a digital display on the machine giving the title of the album, which song is playing, and so forth.

There is, however, no instant random access facility on DCC, so if you want to play a track in the middle of the album, although the machine will find it for you, it can only do so by spooling along at the same speed as a conventional cassette machine.

Instant random access (i.e. the ability to find and play any track on an album within one

second) is one of the advantages of the rival MiniDisc system, together with the mind-boggling promise of being able to record and erase a million times on the same disc with virtually no loss of audio fidelity. Two-and-a-half inches square, and a bit thicker than an after dinner mint, the MD is a tiny affair, which comes packaged in a rather wastefully large box.

Unlike the DCC, the MiniDisc has a futuristic, slightly alien feel about it, and while the technology is more sophisticated, the leap of faith required of the prospective purchaser is that much greater.

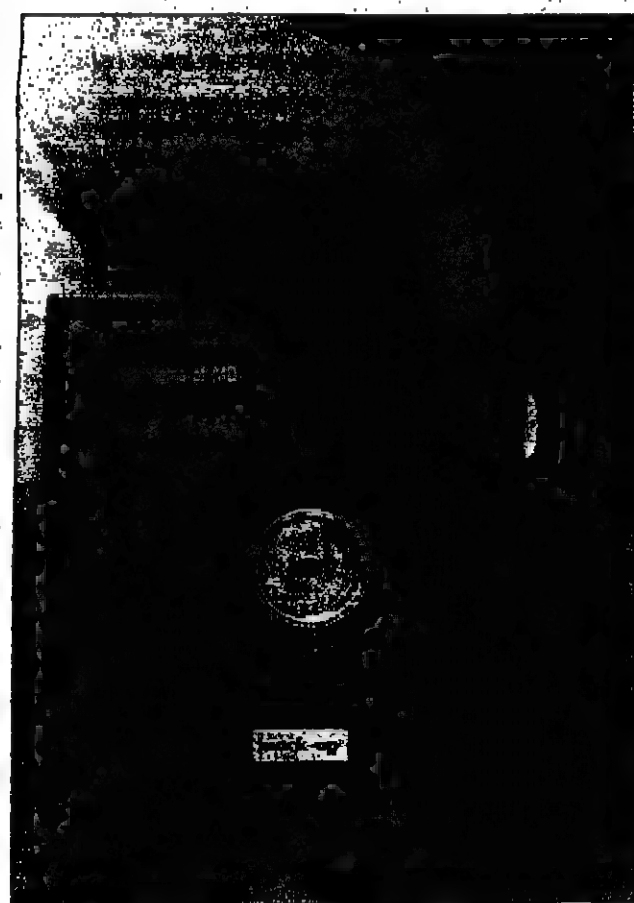
Few industry insiders predict that both new formats will survive, and the smart money is currently on DCC. Its campaign seems better organised and its place in the market — a straightforward upgrading of the compact cassette format — is clear-cut and offers no threat to CD. MiniDisc, meanwhile, despite launching earlier this month in Japan, has been slower coming out of the traps, is a more complex concept and

seems less sure of the area of the market it is aimed at.

Perhaps neither product will make the necessary breakthrough and the phrase "format fatigue" will be extended to embrace the concept of consumer resistance to the prospect of interminable new formats. It has, after all, taken ten years for Laser Disc (LD) to gain even a toehold on the British market. These are discs which play back in digital sound and vision, but do not record. Although they have proved popular with film buffs (because of the high quality of the pictures and because films released in America and Japan can be obtained on LDs before they are released in Europe), they still have a long way to go before catching on in the domestic market.

Then there is CD-I, the complete home entertainment system of the future which contains on a single disc infinitely flexible mixtures of sound, pictures, animated graphics and text. It went on sale in America last year and is heading towards Europe soon. Exposure to that sort of technological firepower could leave even today's state-of-the-art hi-fi systems looking quaint.

Mechatronics, page 16



Sony's MiniDisc system: a miniature, laser-scanned disc, capable of recording (up to 74 minutes) and robust enough for use in cars or even while jogging

TELEVISION REVIEW: Richard Morrison on a satire that misfired, and an absorbing portrait of Goebbels

## Out to lunch with the Sloanes of yesteryear

I wish I were as knowledgeable as the studio audience for Jennifer Saunders' new comedy series *Absolutely Fabulous* (BBC 2). Or perhaps it wasn't a studio audience. Perhaps it was one of those sound engineers operating a little dial labelled "canned laughter". Clever, those engineers. They never fail to spot a sly pun or a subtle allusion, and give it the roar of hysterical laughter its author believes it so richly deserves.

I felt this show slipping from my feeble comprehension early on. Admittedly, I am to the fashion world what Dame Barbara Cartland is to scuba-diving, so perhaps I am not best-placed to judge a series about an alcoholic PR woman working in fashion (the pathologically overacting Saunders) and a conspicuously consuming, painfully work-shy fashion journalist (Joanna Lumley, slightly more reticent in facial mimes).

Nevertheless, must a comedy brandish quite so many in-jokes and trendy designer names in order to make its point? For instance, if Yasmin Le Bon is replaced by Betty Boo in a fashion show, is that a cause for regret or rejoicing? Search me. But it must be incredibly funny, because the studio audience howled.

With every passing reference to Versace or Westwood,

the feeling increased that here was a show aimed at amusing 2,000 people living in south-west London, and bemusing ten million viewers who do not. Which was a pity, because it had a droll cameo from June Whitfield as Saunders's toadily-glimpsed mother, and a promising sub-plot: the disolute Saunders's relationship with her own "New Puritan" teenage daughter (the excellent Julia Sawalha).

Even if that develops in later episodes, it may not be enough to hold together this flailing satire. The trouble is that it lampoons the yuppies and Sloanes of 1987. That whole world of huge, expense-account lunches, coke-sniffing in the office and skiving off a morning's work to go shopping in Harvey Nichols, has crashed. We shall not see its like again. Even journalists are having to restrain their impulse for lunching. I understand. As for PR people, those still in business are generally the ones who work from dawn to midnight massaging their clients' images. Saunders is years out of date.



Joanna Lumley, Jennifer Saunders and June Whitfield

Talk of image-massaging brings us neatly to *We have ways of making you think* (BBC 2), a three-part documentary series which began last night with a first-rate analysis of Joseph Goebbels's work. Great films, shame about the politics. The gist of Lawrence Rees's admirably in-

cluded programme was that Goebbels, a cinema buff of the most exhaustive kind, realised that entertainment — not crude polemical battering — was the key that could unlock the German soul for Hitler. He loathed the brazen message of *The Triumph of the Will* or the infantile racism of

*The Eternal Jew*, and eventually he persuaded his Führer that historical parables were the most effective propaganda weapons. He trusted German audiences to make the connection between, say, Frederick the Great and Hitler, and he was proved right.

Deep down, of course, Goebbels was everything he professed to despise. For instance, he was obsessed with having affairs with dark, Slav-blooded actresses. While that disproves the famous British Army thesis that "Goebbels had no balls at all", it also fitted awkwardly with his belief in racial purity. And eventually he became totally irrational. He pulled 100,000 soldiers off the front line in the last year of the war to act as extras in *Kolberg*, and then, in the bunker, he poisoned all six of his children when he could have had them flown to safety in a neutral country.

By then, though, his evil genius had done its insidious work: a nation had been hoodwinked by Goebbels's picturesque celluloid visions into believing the Final Solution to be a good idea. The only strange thing about this programme's approach was that it allowed a number of ageing actresses, directors and composers to get away with saying that they were only obeying orders.

MUSIC: Gilbert Kaplan conducts the Philharmonia

Even the Festival Hall podium protested. In the marginally less loud passages of Gilbert Kaplan's loud performance of Mahler's Second Symphony a constant creaking and squeaking rent the air, eventually to the movement of Kaplan's feet. Someone had obviously placed a microphone under the podium, and every movement was relayed through the PA system.

This turned out to be one of the more absorbing aspects of the evening. Kaplan, a millionaire publisher, has built up something of a reputation as an authority on the history and performing practices of Mahler, in particular this Second Symphony which he has taught himself, recorded and

## Teach yourself Mahler

now conducted all over the world. At first the critics, perhaps jaded with the starchy Mahler of Karajan, the febrile Mahler of Tennstedt, the earnest Mahler of Sinopoli, praised his efforts to the skies. Now the surprise has faded and reassessment is due.

Kaplan's Mahler is pure theatre. The five-minute gap between first and second movements is observed: off-stage instruments echo far

from the back of the hall; at the final great "Aufersteh'n!", the entire chorus rises as one. But although he has mastered the stage directions, Kaplan is somewhat weaker on the direction of the lines.

Relentless vertical rhythm dominated this performance. There was a certain fond joy in the unrelenting naivety of the Ländler's oom-pom-pom, a certain rough justice in its flanking tragedies. But any hope of glimpsing Mahler's twin poles of magic or mockery faded fast. Diana Montague, Yvonne Kenny and, above all, the superbly groomed Philharmonia Chorus provided an eloquent finale to an only crudely coherent performance.

HILARY FINCH

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**JUNE MOON**



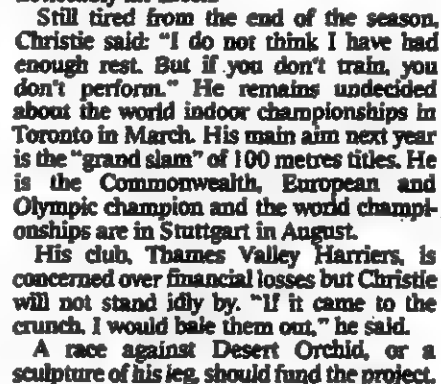
# Holyfield may lack the incentive for successful defence

Angelo Dundee, who often used to be in the opposite corner to Futch, disagrees. "History shows that you go with the good big man over the good little man. Bowe isn't only big. He's mobile and has a good left hand. They are going to bang on one another but, in the end, Bowe should stop Holyfield."

Bowe is young, inexperienced and untested but, if Dundee is right, we could see an exciting new star emerge tonight.

☐ Sky Sports has live coverage of the bout in *Ringside Special* from 11pm.

**RECORDS**  
 Holyfield: 28 wins (22 inside the distance), 11 draws.  
 Bova: 31 wins (27 inside the distance), 0 draws.



"I'm looking forward to the race because it is a quality field," she said. Peter, her husband-coach, chipped in: "The plan is for Liz to feel good, and win, in a faster time than she did in New York."

Under 2hr 26min? "Definitely," she said.

## Futch: inspires trust

**First round:** G. Pothofsky (J) vs J. S. Williams (S), 6-0, 6-0; M. Zvereva (R) vs R. Fakheri-Waples (US), 6-2, 7-5. **Second round:** G. Sabatini (Arg) bt F. Shriver (US), 7-6, 7-5; J. Capriati (US) bt E. Burger (US), 6-2, 6-1; Raymond (S) bt A. Frazier (US), 6-4, 6-4; C. Martinez (S) bt Z. Gernemon (US), 6-4, 6-3, 6-4. **Semi-finals:** V. Richey (S) bt C. Coetzee (SA), 7-6.

**INDIANAPOLIS, Indiana:** Women's tournament. First round: H. Sukova (Cz) bt C. Cunningham (US), 6-1, 6-3; L. Harvey-Wad (US) bt M. L. Daniels (US), 6-0, 6-3; W. Shi-  
ngling (Tai) bt T. Whittington (US), 6-1, 6-1.  
**N. Tezzari (F)** bt D. Faber (US), 6-2, 6-2; T. Whittington (US) bt S. McCarthy (US), 7-6, 6-2.  
**S. Adams (US)** bt M. Kiene (Hol), 3-6, 6-4.

**VOLLEYBALL**

**ROYAL BANK SCOTTISH LEAGUE**  
Men: First division

	P	W	L	A	Pts
St Ragscote	6	5	0	18	1 18
West Coast	6	5	0	15	2 15
Leeds	6	4	2	12	8 14
Sheffield Cardinals	5	3	2	12	6 11
Cardiff	5	3	2	11	9 11
Cardiffbridge	5	3	2	11	9 11
Leeds	6	1	5	4	17 8
Leeds	6	1	5	4	9 6

Glasgow Powerhouse	5	5	0	15	0	15
Streamline Hazyhead	5	5	0	15	5	15
Team Components	4	4	0	12	0	12
lets	8	3	2	11	9	11
Edinburgh University	6	2	3	9	12	9
Stranmillis Coaches	5	2	3	7	12	9
Leeds United A.C. Coach	0	1	5	9	15	4







# Australia reserve the right to fall short of their best



Campese: inventive

Ignoring the unpleasantness at Neath for the moment, it has been said that Australia's matches in Wales have exposed their limitations. It is said they lack strength in depth. That may be so but is this not a burden under which any other team of eminence might also labour?

England, for all their vast playing resources, are no different. Remove Carling and Guscott and listen to the reverberations. After all, it is the best players who carve a team's reputation. And what is left must be second best. Only the few get to drink wine at the top table.

If New Zealand manage better than most to overcome

the dilemma, it is because their pattern of play — forward-dominated, back-row influenced and half-back supported — extends unbroken from the Bay of Islands to the north of their country to Otago in the south.

The stereotype has existed for a century. They admire and breed the same kind of player from top to bottom and feel secure in their shell of familiarity.

Briefly for them, it changed. Under Sheldoff, three years ago, Schuster, Stanley, Botica, Innes and Little were able to play, inspired by the running John Gallagher from full back, with a more fanciful eye to the open spaces. When, in the World Cup, they tried to



GERALD DAVIES  
Rugby Commentary

do the same without these players, their limitations were exposed. Individual talent is hard to replace: collective technique is not. The one is a matter of birth, the other of perspiration.

In this respect, you need only think of David Campese and a difference he makes to any strategy. Remove him and any well laid plans would have to change. Australia

have established a prestige by playing with invention and artistry. There are many risks to take, many delicate manoeuvres to realise. This is different from repeating a familiar routine.

Australia would not survive the tour by selecting their best team all the time. But neither have they rung the changes gradually, in two or three, but rather in large chunks.

Their best team has yet to play in Wales. And it is this team, not the various permutations from within the squad, who are the world champions.

We need not argue their greatness. But once their recognised team is radically altered, as Australia's management has allowed, they become uncertain. If they retain the look of confidence, they are self-consciously so.

The problem facing Australia is the problem facing all teams. When the full complement of players who established the reputation is not available, how good are those in the reserves?

The answer is invariably that they are, whoever they are, never quite as good. They

cannot accomplish the same style. To wish it otherwise is the impossibility of their position. The nature of excellence or greatness is that few indeed are blessed with either.

While a great team can make a good player better, no international team can conceal a weakness or can afford to shelter an ordinary player.

So that when Matthew Ryan, the prop, unbalanced, the front row against Swansea, the Australian scrum suffered. And when Tombs, Walker and Wallace formed the midfield trio last Saturday, no one had any right to expect them to function individually as if they were Horan, Little and

Lynagh: or that Eckert, their third-choice scrum half since the World Cup, should emerge suddenly as a Stacey. Let alone a Farr-Jones.

In any parlous game selection of a world team, every one of Australia's best would be in with a shout for his position. Each complements and supports his colleague without needing to cover his colleague's weaknesses. There is no exploitable flaw. It is not so for the others.

For Wales, it is only when their national team plays the best the touring party can offer that a truer assessment of progress over the last year can be made. And for Australia to confirm their credentials.

## CRICKET

# Donald is fit to play an important role on historic occasion

FROM RICHARD STREETON IN DURBAN

WHEN South Africa completed a 4-0 win against Australia at Port Elizabeth in March 1970, no one realised it would be the last Test in the country for 23 seasons. Two decades of isolation end today when South Africa and India start their series here.

India's presence in this country for the first time underlines the way political and sporting history is unfolding.

Coupled with the rugby union international at Twickenham tomorrow, this Test match marks the most momentous weekend within memory for this sports-mad country.

What promises to be a memorable series in several ways will also be the first in which a third, off the field, umpire will be called on if necessary to adjudicate difficult run out, stumping and hit-wicket decisions with the help of television replays.

The third official will light up a green bulb if the batsman is out and a red one if the decision is in his favour.

South Africa must be considered favourites to become the first winners of the commemorative Friendship Trophy, which the sponsors have presented in perpetuity for Test series between the two countries.

Allan Donald passed a fitness test yesterday and recent Indian form suggests he could prove the decisive factor if he really can bowl at his most blistering speed.

Contrary to the pattern of recent Castle Cup matches, a hard, bouncy pitch has been prepared at the Kingsmead ground, almost unrecognisable these days with its vast, new stands. Schultz, whose hostility and movement impressed at Verwoerdburg last weekend, will share the new ball with Donald.

Schultz is raw and inexperienced and his selection on the basis of one good match has been strongly criticised in print locally by such as Rice and Allan Lamb. Pringle and McMillan will make good use of the strength-sapping humidity and Henry's left-arm spin could come into its own late in the game. Sadly, thunderstorms are forecast for today.

All the South African batsmen have recently made runs, though from No. 7 onwards the tail is longer than India's, whose first ten in the order all have first-class centuries to their credit.

The touring team have still opted for an extra batsman in either Amre or Jadeja, both uncapped. Amre has been handicapped by flu while

Shastri, Azharuddin and Raman are others who have yet to play a long innings on the tour, in either Zimbabwe or South Africa.

Above all, India must be conscious of their appalling record away from home. It is emphasised by noting that 58 of Kapil Dev's 116 Test matches have been played outside India and he has shared in only three victories. Two of these came in England in 1986 and the other in Australia in 1980-1.

Kapil, with 25 wickets, had his best series when India lost 4-0 to Australia last winter and he remains the key figure in their attack. Prabhakar should swing the ball freely here and Srinath has the firepower to unsettle the best.

Shastri will provide the left arm spin, allowing Kumble to be preferred to Raju. Five of the Indian side — Azharuddin, Shastri, Kapil Dev, Manjrekar and More — will become the first cricketers to play Tests against eight other countries.

**SOUTH AFRICA:** K C Wessels (captain), P Krieger, A C Hudson, S J Cook, J N Rhodes, B M Morkel, D J Richardson, O Henry, M W Pringle, A A Donald, B N Scholtz.

**INDIA:** (from) M Ashwin (captain), R J Shastri, V V Ramesh, S V Manjrekar, S R Tendulkar, P K Aravind, K S More, A R Kumble, J Srinath, A D Jadeja.

**Umpires:** S J Burrow (West Indies), K L Robinson and C Mcheyi (South Africa). ICC referee: C H Lloyd (West Indies).

## West Indians suffer first defeat of tour

Canberra: The Australian Prime Minister's XI beat the West Indians by three runs in their 50-over one-day match yesterday. Dean Jones compiled a fine 76 in the Australians' 233 for seven while the West Indians scored 230 for nine.

The defeat was the West Indians' first in four games on their tour, with the five-match Test series starting in Brisbane on November 27.

Jones, the man of the match, clearly enhanced his chances of selection for the Test matches, even though his score was made with Ian Bishop and Courtney Walsh, the two fast bowlers, bowling well below their top speed at the Manuka Oval.

It was the medium-pace bowler, Paul Reiffel, who is looking for his first Test cap for Australia, who was the bowling scourge of the visitors, taking four for 44 in his ten overs. (Reuters)

**SCORES:** Prime Minister's XI 233-7 (D Jones 76, West Indians 230-9 (D Williams 57, P Reiffel 4-44).

## Patel takes six wickets as Zimbabwe fold

Harare: Dipak Patel, the off spinner, took six second-innings wickets as New Zealand beat Zimbabwe by 177 runs in the second and final Test match yesterday and clinched the series 1-0. Patel claimed his best Test figures of six for 50 — improving on his six for 113 in the first innings of the first Test in Bulawayo last week — as New Zealand dismissed Zimbabwe for 137 in their second innings.

Achieving more bounce than turn, Patel did the damage after lunch as Zimbabwe collapsed from 25 to two to 94 for eight at tea. He captured the wickets of David Houghton, the Zimbabwe captain, Andy Flower, Eddo Brandes, David Brain and Alistair Campbell in the second session and crowned his performance by clinching victory when he trapped the last man, John Rains, leg-before for no run.

Only Campbell, who scored 35, and a sublim 46-run partnership between Gary Crocker and Mark Burmester

for the ninth wicket offered any resistance. (Reuters)

**NEW ZEALAND:** First innings 335 (M D Crowe 140, K R Rutherford 74).

**ZIMBABWE:** First innings 285 (D Campbell 52, M L Siva 5 for 65).

**Second innings:** New Zealand 194-3-59-2; Zimbabwe 137-8-70-2; G W Flower 4-11-0; Burmester 5-44-0.

**BOWLING:** Brandes 19-4-3-59-2; Brain 16-20-1; Crocker 7-0-0-40; Tendulkar 23-8-70-2; G W Flower 4-11-0; Burmester 5-44-0.



Centre of excellence: Gerber showed in France that he still has the power and pace to trouble any defence

## Gerber ready to cut down the rose

David Hands, rugby correspondent, meets a South African who is aiming to make up for lost time at Twickenham tomorrow

Not many rugby players have a song written about them. Max Boyce tried to redress the balance in *The Pontypool Front Row* by singing of three at the same time but, in South Africa, another light entertainer came up with a pleasantly alliterative line about Danie Gerber — *Die Doring van Despatch*.

It loses something in translation: *doring* is Afrikaans for thorn and Despatch is where Gerber grew up, a small town in Eastern Province, not far from Port Elizabeth. The two together transfixed South African rugby supporters when, out of the blue, Despatch won the national club championship in 1985.

By then, of course, Danie Gerber had already proved himself a thorn in the side of international teams. He scored his first try for South Africa in the unlikely surroundings of Montevideo in 1980 and is his country's leading try scorer, having accumulated 19 in 23 international appearances. How many, you wonder, might he have scored had South Africa not been isolated this past decade?

As a comparison, David Campese, the world's leading try scorer with 51, scored 17 tries in his first 23 games for Australia in the same span. In the same span, the world with 38, scored seven and Rory Underwood, ranked

third with 35, six. Gerber's strike rate is second to none and he would be happy to round his tally off at 20 when South Africa play England at Twickenham tomorrow.

Mention Blanco and Gerber's brow furrows: the two men made their international debuts in the same year, but whereas the French full back retired in 1991 with 93 caps after an international career lasting 11 years, the South African centre has, by comparison, a pitiful haul.

The years between 1984 and 1987 were very frustrating because I felt I was at my best," Gerber said.

"We could sit and watch on television the five nations' championship, you could hear the atmosphere and you knew you must stay home. You knew you had nothing to do with the politics; all you wanted to do was play rugby and enjoy it."

Gerber did have the chance to sample that atmosphere, as he twice played at Twickenham. In 1984, he was part of a president's XV which celebrated the stadium's 75th birthday, and in 1986, he joined the International Rugby Football Board centenary celebrations. It is worth re-

after your body, but I know that I have to produce every time I go out there, otherwise people will say I shouldn't still be playing.

"The younger players, perhaps, can make a mistake or two and nothing happens but at my age..." So is this the last we will see of Gerber? "Look, last October I started training because I was determined to try to make the Western Province side this year. I didn't know what would happen with the national side, or about tours, so I thought that if I played a Test, fine, but it was not the end of the world if I didn't."

"What happened was my best season of provincial rugby and I still want to play for Western Province next year. I don't think I'll go further than that. I'll have to see how I feel. But to play in a Test at Twickenham is a dream. I never thought it would happen. I've seen videos of Carling and Guscott playing, but I have never worried about my opposite numbers because I am part of a team. They have their strengths, I have mine."

When his colleagues go home next week, Gerber will stay behind as the radio detection company he works for has its head office in Bristol. Homing in on the skyline, you might say, has been his sporting life's work. You would not bet against England being on the receiving end tomorrow.

## Woodforde defeats Lendl in Antwerp

Ivan Lendl, the No. 4 seed, was beaten 6-4, 6-2 by Mark Woodforde, the unseeded Australian, in the second round of the European Community tennis championship at Antwerp yesterday. Lendl has won the title five times.

Jim Courier, the world No. 1, entered the quarter-finals with a 6-3, 6-3 win against Javier Sanchez of Spain. Michael Stich, the 1991 Wimbledon champion, beat Carlos Costa, the seventh seed, 6-4, 6-4.

Julie Patten and Virginia Humphrey-Davies lost in the doubles quarter-finals to end British hopes in the Texaco Women's Challenge tournament at Manchester yesterday.

## Makeshift Wigan

Rugby league: Wigan will take up their familiar position at the top of the Stanes Bitter Championship should a makeshift side defeat Widnes at Naughton Park tonight (Christopher Irvine writes).

Casualties of a debilitating recent schedule include Flat, Hampson and Robinson. Bets and Dermott are expected to shake off the effects of influenza, but Widnes expect to encounter less resistance from Wigan than when they lost there 14-2 in a bruising encounter in September.

## Wash away

Rugby union: Wash upon Dearn, the Yorkshire 11 side that is unbeaten in league rugby since spring 1991 and has yet to play at home in the competition, has been drawn away to Metwrick, from Sale, Cheshire, in the fourth round of the Provincial Insurance Cup on November 28.

Their league rivals, Old Modernians, travel to Fleetwood, while Bridport, who beat Bracknell, semi-finalists last year, in the third round, are home to Bradford-on-Avon.

## Alboreto in

Motor racing: Michele Alboreto, of Italy, will drive for the Scuderia Italia Formula One motor racing team next season, the Italian team announced yesterday.

## English only

Squash: The British National Squash Championships to be held at the Village Leisure Hotel near Manchester are being turned into an 'England-only' event next year because of the recession.

## Price wins

Golf: Nick Price of Zimbabwe withstood Tom Kite's assault on the PGA West course on Wednesday to win the Grand Slam of Golf on the first hole of a sudden-death play off.

## Rains finds grounds for optimism as Dorking go for broke

By WALTER GAMMIE



Good box office: Rains plots Plymouth's downfall

DORKING football club did much soul-searching after winning the right to entertain Plymouth Argyle in the first round of the FA Cup. Should they follow their initial impulse, and play the tie at their barely adequate Meadowbank Ground, or should they go for the money and switch the tie to Home Park?

"Heart ruled over head," John Rains, the manager, said. "I hope what we won't have made financially we will have made in terms of awareness of what we need to achieve for premier status." Getting an A-grade for their ground is the open sesame for the Diadora League first division leaders.

Dorking may have plush seats, rescued from a closed



FA CUP

cinema, but they will eventually have to lay concrete terracing on the ground's grass banks, where scaffolding and planks are being erected this week in a push to lift capacity to 3,600 for the tie on Sunday. If they do not, the upward progress initiated by Martin Collins, the financial director, and Tom Howes, the chairman, when they set up a board of directors in 1985, will come to a halt.

Collins, manager for eight years from 1983, took Dorking to promotion from the second division in 1989 after two near misses. Since

Rains took up the reins, he has forged Dorking into a force in the first division. Among his recruits have been Graham Marriner, the defensive linchpin, who joined after 11 seasons at Bognor Regis, and Steve Tutt, a central midfield player, and Darren Bird, the sweeper, from Kingstons.

"This team would definitely survive in the premier division," Tutt said.

The supporters are beginning to recognise that something special is afoot. An extra 70 tricked back to Meadowbank to swell the regular 170 after the Cup win over Farnborough Town and saw Dorking crush Barking 7-0.

Rains learnt a few tricks of the trade from Barrie Williams in his 13 years at Sutton United. He has carefully channelled press interest through

the ranks, beyond his brother, Tony, and Matthew Hamlin, the scorers of Sutton's goals in their 2-1 victory over Coventry City in 1989, and the prolific forward combination of Carey Anderson, Phil Grainger and Steve Lunni.

Tutt said Rains will not blind his team with detail on Plymouth, "maybe just give us three or four technical points". He knows that the mud and bumps of the Meadowbank pitch will not favour Argyle. "John's trying to get it as flat as possible for Sunday but it will never be much to write home about," Tutt said. "To be honest, I'm getting used to it now, but they will not be able to pass the ball like a professional team likes to. Hopefully, we'll be able to capitalise on that." Home advantage may yet pay.

## SNOOKER

## Hendry struggles to regain confidence

THE Royal Liver United Kingdom championship begins its 16-day run at the Preston Guildhall today and reflects the present state of professional snooker. It is the most open in the event's 15-year history (Phil Yates writes).

Throughout the Eighties, only a select few, headed by Steve Davis, the champion on a record six occasions, were in with a realistic chance of capturing a title rightly regarded as the game's most prestigious after the world championship.

Stephen Hendry, the world No. 1, who has replaced Davis as the pre-tournament favourite

in recent years, is again considered most likely to collect the £70,000 first prize. But having not won in his first five tournaments of the season, he felt it necessary to spend two weeks practising for ten hours a day in an effort to restore his dwindling confidence.

John Parrott, the defending champion, and Jimmy White, the runner-up last year, come to the tournament in good form. Parrott has won events in China and Dubai and beaten Hendry three times while White, after making a mediocre start to the season, won the Rothmans grand prix last month.



## BBC1

- 6.00 Cerebus** (50555)  
**6.30 Breakfast News** starts with *Business Breakfast* until 6.55 when we begin the news and topical reports with regular business, sport, weather, and other news and travel bulletins (50127771)  
**9.05 Killybegs** (505787) 9.45 Rose King, Garry Shandling. The guests are Steve Punt and Hugh Dennis from *The Mary Whitehouse Experience* (5056329)  
**10.00 News**, regional news and weather (7721936) **10.05 Playdays**. For the very young (5) (5197145)  
**10.30 Good Morning**... with Anne and Nick. Family magazine series presented by Anne Diamond and Nick Owen. Today's edition includes a celebrity leisure guide, Barbara Cartland with a romantic story and weekend shopping advice (5). With News (Ceeftex) and weather at 11.00 and 12.00 (42572936)  
**12.15 Pebble Mill**. Alan Titchmarsh is joined by Scottish songstress Barbara Dickson (5) (9337145) **12.55 Regional News** and weather (78467874)  
**1.00 One O'Clock News** with Philip Hayton. (Ceeftex) Weather (93771)  
**1.30 Neighbours**. (Ceeftex) (42552936) **1.50 Eldorado** (5). (Ceeftex) (7329222)  
**2.30 Games for Gold**. General knowledge quiz with European contestants. The question-master is the amiable Henry Kelly (5) (2008110) **2.45 The Flying Doctors**. Medical drama set in the Australian outback (8724752)  
**3.30 Cartoon Double Bill** (486416) **3.45 Bump** (5) (1773435) **3.50 Christopher Crocodile**. Animation (3429348) **3.55 Superbuds**. Nicola Davis and Philip Hawthorn continue their journey round the human body (4773226) **4.10 Chippinwicks Go To The Movies** (5) (4623797) **4.35 Record Breakers** presented by Roy Castle and Cheryl Baker with Ron Reagan Jr. Includes an interview with David Gower. (Ceeftex) (5) (8683400)  
**5.00 Newswatch** (2821771) **5.05 Byker Grove**. Drama series set in a Geordie youth centre. (Ceeftex) (8141661)  
**5.55 Neighbours** (5). (Ceeftex) (856394) Northern Ireland: Inside Ulster  
**6.00 Six O'Clock News** with Peter Sissons and Moira Stuart. (Ceeftex) Weather (139)  
**6.30 Regional News Magazine** (519). Northern Ireland: Neighbours **7.00 Eldorado**. (Ceeftex) (5) (8232)  
**7.30 Don't Worry, George Layton's** likeable comedy starring Nigel Havers and Tony Brown as father and son medics (5). (Ceeftex) (503) Northern Ireland: Sportszone

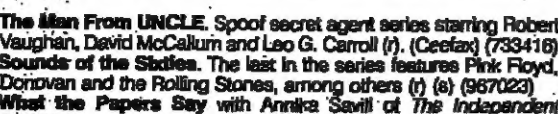


Helping children in need: Philip Schofield reports (8.00pm)

- 8.00 Who Are the Children?** Philip Schofield reports on how the money raised by last year's Children in Need appeal was used. (Ceeftex) (1752)  
**8.30 Some Mothers Do 'Ave 'Em**. Classic comedy with Michael Crawford as the accident-prone Frank Spencer. This week wife Betty persuades him to take a public relations course. With Michele Dotrice (5). (Ceeftex) (3787)  
**9.00 Nine O'Clock News** with Michael Buerk. (Ceeftex) Regional news and weather (3526)  
**9.30 Between the Lines**. Tough drama series about investigations within the police force. This week Tony Clark (Neil Pearson) looks into a youth's suspected suicide while in custody. Is it all it seems? (Ceeftex) (5) (199771)  
**10.20 Terry Wogan's Friday Night**. With Dudley Moore, Nicolas Cage, comedians Damon Wayans and Jim Morris and music from Michael Bolton (5) (230232). Northern Ireland: Anderson on the Box  
**11.00 Film** *Shine on Me* (1991) starring Elizabeth Montgomery, Talla Balsam and Dale Midkiff. Psychological thriller, based on fact about an outwardly normal man who has a secret urge to commit rape in reaction to his dominating mother. Impressive performances help to compensate for an unconvincing theme. Directed by John Patterson (84077). Northern Ireland: Terry Wogan's Friday Night 11.50-1.20am Film: *Prison for Children* (502085)  
**12.30am Weather** (802085)

## BBC2

- 8.00 Breakfast News** (4583313) **8.15 Westminster** (8046868)  
**9.00 Daytime On Two**. Educational programmes  
**9.00 News** and weather followed by *Words and Pictures* (5) (8284981)  
**2.15 Sport on Friday** presented by Helen Rollason. Racing from Cheltenham: live coverage of the 2.25, 3.00 and 3.35 races. Netball: highlights of last night's match between England and New Zealand at the G-Mex Centre, Manchester. Rugby Union: a preview of tomorrow's game at Twickenham between England and South Africa. Includes News (Ceeftex) and weather at 3.00 and 3.50 (842232)  
**4.00 Catchword**. Game for wordsmiths. Introduced by Paul Cole (5) (232)  
**4.30 Behind the Headlines** with Shyma Perera. Includes a look at the generation of Cambridge Footlights performers which included Stephen Fry, Hugh Laurie and Emma Thompson. Plus, whatever happened to Esperanto — does it have a future in the new Europe? (416)  
**5.00 Delta Smith's Christmas**. The first of a six-part guide to cooking at Christmas (5). (Ceeftex) (3110)  
**5.30 Top Gear**. A road test on the new Alfa Romeo 165 and a visit to the Isle of Man TT races (5) (868)  
**6.00 Stingray**. Classic puppet adventures (5) (Ceeftex) (789329)



Secret agents: McCullum, Vaughan and Carroll (8.25pm)

- 6.25 The Man From U.N.C.L.E.** Spies secret agent series starring Robert Vaughn, David McCallum and Leo G. Carroll (5). (Ceeftex) (733416)  
**7.15 Soundbite of the Week**. The last in this series features Pink Floyd, Donovan and the Rolling Stones, among others (5) (807023)  
**7.45 What the Papers Say** with Anna Sewell of *The Independent* (316394)  
**8.00 Public Eye**. Sex in the Forbidden Zone. Jenny Cuffe reports on cases of psychotherapy patients being sexually abused by their therapists. (Ceeftex) (3934)  
**8.30 CHOICE**. Sir Roy Strong is nothing if not a card but as this series has proceeded his unconventional appearance has seemed increasingly at odds with the reverence of his commentary. He started *Royal Gardens* by attacking the terrible things done to Hampton Court. He finished it by drooling over Buckingham Palace garden parties and bemoaning the fact that in these straitened times even royal gardens must earn their keep. It comes to something when the BBC's most respected and respected gardeners, entrance fees and sell plants, while at Highgrove the Prince of Wales has to make do with only three full-time gardeners. Much of tonight's film is about Highgrove, described by Strong as the most important garden created in the 1980s. The Prince himself turns up to add the virtues of cow dung. (Ceeftex) (1229)  
**9.00 Pandora's Box**. The League of Gentlemen. The story of how, 30 years ago, a group of eccentric comedians convinced British politicians they had foolproof means to make the country great again (5). (Ceeftex) (1229)  
**10.00 Have I Got News For You**. Rude and funny topical quiz show hosted by Angus Deayton. Ian Hogg and Paul Merton are joined by Rory Bremner and Ken Livingstone (5) (82374)  
**10.30 Newsnight** with Peter Snow (82626) **11.15 Weather** (820374)  
**11.20 Film** *La Grande Illusion* (1937, b/w).  
**CHOICE**. Jean Renoir's powerful plea for reconciliation across the boundaries of nation and class may have fallen on too many deaf ears at the time and it was not surprisingly banned in Nazi Germany. Several years later, it remains a classic statement about settling differences without recourse to arms. Renoir drew on his own experience in a first world war prison camp in developing the story of these French prisoners who (Pierre Fresnay, Jean Gabin and Marcel Dalio) and their German captives (Edith Vige, Stroheim). The Frenchman is an aristocrat, a proletarian and a Jew. The commandant is their natural enemy. The message of the film, though never a crudely propagandist one, is that they are all human beings. It is put across with Renoir's mastery touch, helped by a set of exemplary performances. (824313)  
**1.10am Behind the Headlines**. As 4.30pm (838429). Ends at 1.45

## ITV LONDON

- 6.00 TV-am** (5448972)  
**9.25 Keynotes**. Music game show hosted by Alastair Dival (4045226)  
**9.55 Thames News** (5000655)  
**10.00 The Time...The Place...** Topical discussion programme (4748565)  
**10.35 This Morning**. Magazine series presented by Anna Scourby and Richard Bawn (5058435)  
**12.10 Ballooboo**. Early-learning series (5) (2209223)  
**12.30 ITN Lunchtime News** with Sonia Russell and Nicholas Owen. (Oracle) Weather (3150874) **1.05 Thames News** (5815787)  
**1.15 Home and Away**. Australian family drama series. (Oracle) (551941)  
**1.45 A Country Practice**. Medical drama set in the Australian outback (5) (811482)  
**2.15 Highway to Heaven**. Jonathan, the apprentice angel, and Mark his human helper, become police drug counsellors at a high school. Starring Michael Landon and Victor French (4020058)  
**3.10 ITN News headlines** (9462232) **3.15 Thames News headlines** (9461503) **3.20 GP**. Australian medical drama set in a suburban surgery (5075042)  
**3.50 Scooby Doo**. Cartoon. (4788023) **4.05 Astro Farm**. Puppet animation about a family farming in space (5) (5254313) **4.15 Victor and Hugo**. Cartoon misadventures of a pair of incompetent crooks (4544229) **4.47 Knightmare**. Dungeon game set in medieval times (8575481) **5.05 Cartoon** featuring Porly Pig (8565890)  
**5.15 LWT News** and weather (2341874)  
**5.40 Early Evening News** with John Supter. (Oracle) Weather (750771)  
**6.00 Home and Away** (5). (Oracle) (435)  
**6.30 Park High**. The first in a repeat of the fly-on-the-wall series about life in a suburban comprehensive school (787)  
**7.00 Family Fortunes**. Game show hosted by Les Dennis. (Oracle) (5) (8400)  
**7.30 Coronation Street**. (Ceeftex) (771)



The Plant triplets: Clarke, Steadman, Broadbent (8.00pm)

- 8.00 Gone to Seed**.  
**CHOICE**. Tony Grounds, who penned last year's watchable comedy-drama *Gone to the Dogs*, has reassembled the same stars for his new series, a tall tale about a feuding family of working class Londoners who live in the shadow of Tower Bridge. Alison Steadman, Warren Clarke and Jim Broadbent play middle-aged triplets and Sheila Hancock is their domineering mum. At issue is the future of the family business, a garden centre. Mum is nearing retirement but won't give it up. Broadbent dreams of turning it into a country and western Disneyland, while Clarke is taking backhanders from a corrupt (Peter Cook) who wants the land for a highway. The plotting may be convoluted and the characters overdone but the excellent cast and Grounds's offbeat humour help to get the series off to a promising start. (Ceeftex) (5) (1416)  
**9.00 Crime Story: A Question of Identity**. Bernard Hill stars in the reconstruction of the true story of a communist spy living in London under the identity of a young Dutch boy who died after the war. One day he is confronted by an elderly lady claiming to be the boy's mother. (Oracle) (8752)  
**10.00 News at Ten** with Trevor McDonald. (Oracle) Weather (326503)  
**10.35 LWT News** (326705)  
**10.40 The London Programme**. The home ownership nightmare of former council house tenants (866110)  
**11.10 Caught on Camera**. Paul Ross introduces camcorder clips of amazing real-life moments (5) (371710)  
**11.40 The Midland Night**. Phone-in entertainment series (447145)  
**1.05am Bob Dever**. Phone-in entertainment series in the Antipodes (4109714)  
**2.10 Cinema Attractions**. Movie news from the United States (8663375)  
**2.40 Raw Power**. Rock music magazine (5) (1029735)  
**3.40 Baseball '92** from Atlanta (2475379)  
**4.35 Burke's Law** (b/w). Vintage American police drama series starring Gene Barry as the eponymous Beverly Hills cop (4283034)  
**5.30 ITN Morning News** with Phil Roman (85733). Ends at 6.00

## CHANNEL 4

- 6.00 Cartoons** (14663) **7.00 The Big Breakfast** (83834)  
**8.00 You Bet Your Life**. American game show (5) (86077)  
**9.30 Schools** (774394) **12.00 The Parliament Programme** (94233)  
**12.30 Sesame Street**. The quest is actress Whoopi Goldberg (40597)  
**1.30 The Herbs**. Animation (92789110) **1.45 The Clangers** (92794665)  
**2.00 Film: The Story of Esther Costello** (1957, b/w) The Joan Crawford season continues with this stirring melodrama about a wealthy American socialite who adopts an Irish blind mute (Heather Sears) only to see her fraudulent but charming husband (Rossano Brazzi) exploit the relationship. Directed by David Miller (416139)  
**3.55 The Emperor's New Armour**. R.O. Blechman's animated tale (3634329)  
**4.00 Travelog**. Pete McCarthy visits Holland and Robert Ellis is in Miami (5). (Teletext) (5) (400)  
**4.30 Fifteen To One**. Knock-out general knowledge quiz (5) (584)  
**5.00 Cutting Edge: Comrades**. A repeat of Monday's documentary about members of the Militant Tendency (7313)  
**6.00 Blossom**. Comedy series about a teenage girl in an all-male Los Angeles household (5) (357)  
**6.30 Happy Days**. Nostalgic American comedy series starring Henry Winkler and Scott Baio. (Teletext) (329)  
**7.00 Channel 4 News** with John Snow and Zeinab Badawi. (Teletext) Weather (576503)  
**7.50 First Reaction** (894597)  
**8.00 Brookside**. (Teletext) (5) (8980)



Looking for her daughter's body: Marie McCourt (8.30pm)

- 8.30 Short Stories: Still Missing**.  
**CHOICE**. The half-hour documentary slot returns for a new series with the poignant story of a murdered woman and a family that refuses to rest until the remains are discovered. Helen McCourt disappeared on her way home from work in February 1988. A publican was arrested and convicted of her murder but Helen's body was never found. Ever since then Marie, her mother, and other relatives, have spent most of their spare hours trying to find Helen in order to give her a proper burial. Eva Czeszewska's film cannot, alas, bring the tale to a conclusion. What it does is to follow some of the family's more desperate initiatives, such as calling in a clairvoyant while bringing out the extraordinary resilience of people who have been disappointed so often (3587)  
**9.00 Spirit of Trees**. The fourth of Dick Wogan's eight-part series on Britain's trees and woodlands. This week he meets two men who are trying to maintain the ancient traditions of coppice woodland management. (Teletext) (3418)  
**9.30 Cheats**. Sam learns something about Diana's romance with her new boyfriend that leads him, mistakenly, to believe she is still in love with him (5). (Teletext) (35400)  
**10.00 Nurses**. Black medical comedy series. (Teletext) (5) (44482)  
**10.30 Clive Anderson Talks Back**. With Stephen Fry, Jason Donovan and Lord (Nigel) Lawson (5) (380481)  
**11.10 The World**. Youth music and style magazine. Includes interviews with Marlon Wayans and Bridget Fonda and music from Faith No More and Aiy U (557225)  
**12.10am Film: Lizzie** (1957, b/w). Tense psychological drama starring Eleanor Powell as a drab young woman who turns out to have two other, suppressed, personalities. Directed by Hugh Hagg (368664)  
**1.40 The Twilight Zone: To Serve Man** (b/w). Classic science fiction tales (4763453)  
**2.05 American Football: Play Action** (8865648). Ends at 2.35

## VideoPlus+ and the Video PlusCodes

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## VARIATIONS

- ANGLIA**  
 As London except: 2.15-3.10 The Supermarket (502058)  
**1.30 The Young Doctors** (502058) **3.10-3.40 News**. (502058) **3.40-3.50 News**. (502058) **3.50-4.00 News**. (502058) **4.00-4.10 News**. (502058) **4.10-4.20 News**. (502058) **4.20-4.30 News**. (502058) **4.30-4.40 News**. (502058) **4.40-4.50 News**. (502058) **4.50-5.00 News**. (502058) **5.00-5.10 News**. (502058) **5.10-5.20 News**. (502058) **5.20-5.30 News**. (502058) **5.30-5.40 News**. (502058) **5.40-5.50 News**. (502058) **5.50-6.00 News**. (502058) **6.00-6.10 News**. (502058) **6.10-6.20 News**. (502058) **6.20-6.30 News**. (502058) **6.30-6.40 News**. (502058) **6.40-6.50 News**. (502058) **6.50-7.00 News**. (502058) **7.00-7.10 News**. (502058) **7.10-7.20 News**. (502058) **7.20-7.30 News**. (502058) **7.30-7.40 News**. (502058) **7.40-7.50 News**. (502058) **7.50-8.00 News**. (502058) **8.00-8.10 News**. (502058) **8.10-8.20 News**. (502058) **8.20-8.30 News**. (502058) **8.30-8.40 News**. (502058) **8.40-8.50 News**. (502058) **8.50-9.00 News**. 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